

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**February 24, 1995**

The Assembly met at 10 a.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Goohsen:** — Thank you, Mr. Speaker. I would like today to present petitions from the people in the Tompkins and Gull Lake area of my constituency. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program towards double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

And as in duty bound, your petitioners will ever pray.

I'm very proud to present these and table them for the people of our area today, Mr. Speaker.

**Mr. McPherson:** — Thank you, Mr. Speaker. I also have a petition from constituents of the Shaunavon constituency. The prayer is as follows:

Wherefore your petitioners humbly pray that the Hon. Assembly may be pleased to unequivocally oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers, and urge the federal government to recognize that gun control and crime control are not synonymous.

And as in duty bound, your petitioner will ever pray.

And these constituents are from the Glentworth, McCord, Fir Mountain area of the constituency, Mr. Speaker.

**READING AND RECEIVING PETITIONS**

**Clerk:** — According to order the following petitions have been reviewed pursuant to rule 11(7) and are hereby read and received.

Of citizens of the province petitioning the Assembly to allocate adequate funding to the double-laning of Highway No. 1.

And of citizens of the province petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

**NOTICES OF MOTIONS AND QUESTIONS**

**Mr. McPherson:** — Thank you, Mr. Speaker. I give notice that I shall on day 20 ask the government the following question:

Regarding the Public Service Commission: (1) are any of the following persons employed in any provincial government department: Allan Barss, Susan Bates, Fred Bird, Paul Faris, Nina Francis, Yvonne Gray, Tom Halpenny, Michaela Keet, Ethel Korol, Sharon Lyons, Carol Marynook, Ian McCuaig, Debi McEwen, Stewart McPartlin, Andy Prebushewski, Janice Stocks, Elaine Torrie, Wendy Ward, Gail Wartman, Tim Whelan, Virginia Wilkinson, and Taisha Wingerchuk; (2) if yes, (a) what department employs each individual; (b) what is that individual's title and current monthly salary; and (c) did that individual obtain their position through an open competition?

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I give notice that I shall on Tuesday next move first reading of a Bill, an Act to amend The Saskatchewan Human Rights Code (property rights).

**INTRODUCTION OF GUESTS**

**Ms. Murray:** — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to make this introduction on behalf of my colleague, the MLA (Member of the Legislative Assembly) for Indian Head-Wolseley.

I'm pleased to introduce to you and through you to my colleagues in the legislature, seated in your gallery, Mr. Speaker, a group of Scouts from Indian Head . . . or Cubs, I beg your pardon — Indian Head Cub group, from Indian Head. There are 11 of them and they're aged 8 to 11 years old.

They're accompanied by their chaperons, Wes Danbury, Greg Pike, and Allan Gorin. They're going to visit in the gallery for a while, then have a tour of the building, and I look forward to meeting with them later on after question period.

So I would ask all my colleagues here to join me in welcoming them this Friday morning.

**Hon. Members:** Hear, hear!

**Mr. Serby:** — Thank you very much, Mr. Speaker. This morning I would like to introduce to you and members of the Assembly, seated in your west gallery, Mr. Randy Nelson and his wife Isabelle, who are visiting here today from Saskatoon. As you know, Mr. Nelson represented the constituency of Yorkton from 1975 to 1978 and did a very admirable job of doing that. And although he and Isabelle now live in Saskatoon, those of us from Yorkton always welcome him back and say that this is really his home, Yorkton.

So very pleased to see you in our Assembly today and adding to the decorum of this legislature. Thank you very much, Mr. Speaker.

**Hon. Members:** Hear, hear!

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, this morning I would say I'm slightly confused — but you probably would agree with me, so I won't say that.

But on behalf of our friend and hon. colleague, Andy Renaud, Minister of Highways, I would like to introduce a person who he told me was going to be in the gallery today but whom I do not know, Bill Hayward. Bill's a long-time, hard-working Tisdale School Division board member, has come to Regina, and will I'm sure enjoy the proceedings.

So on behalf of my hon. colleague, I welcome Bill to . . . is Bill here? There. Welcome, Bill. Thank you.

**Hon. Members:** Hear, hear!

### STATEMENTS BY MEMBERS

#### IRIS Research Projects

**Mr. Van Mulligen:** — Mr. Speaker, I want you to know right at the beginning that I do not understand some of what I am about to report, nor will you, Mr. Speaker, but it is good news for the University of Regina and for the research reputation of Saskatchewan universities.

The University of Regina has been awarded 3 of 28 Canadian projects sponsored by the Institute for Robotics and Intelligent Systems — IRIS for short. IRIS is part of the network of national centres of excellence. The University of Regina, in my constituency, has these projects because of the excellence of its researchers in the computer science program.

Now listen closely, Mr. Speaker. One project is called the system X project, and it involves developing intelligent interfaces to information systems, in particular practical natural language interfaces to databases. The project is lead by the associate vice-president of research, Dr. Nick Cerone.

The other two projects are called the DBlearn project and the intelligent scheduling project, but I have only 90 seconds.

Mr. Speaker, these 28 IRIS projects are located at 22 universities and involve 130 faculty and are managed by PRECARN Associates, a consortium of 40 Canadian companies engaged in cooperating, pre-competitive research. The fact that we have three of these projects is a tribute to the quality of our programs and especially of our people.

I congratulate the researchers and the university, and I will not repeat this for anybody. Thank you.

**Some Hon. Members:** Hear, hear!

#### Prairie Venture Show

**Ms. Lorje:** — Thank you, Mr. Speaker. I'm going to make a slightly more intelligible and comprehensible statement.

Yesterday the member from Redberry reported on a seminar in Moose Jaw devoted to agricultural diversification and entrepreneurship. He said, quite correctly, that although it was being held in Moose Jaw, the information provided was valuable for all people throughout the province.

Well yesterday, today, and tomorrow, a similar kind of event is taking place in Saskatoon. For those unable to visit the fine city of my two Moose Jaw colleagues, please come to the equally fine city of Saskatoon. Prairie Ventures, produced by the Saskatoon Prairieland Exhibition Corporation, is happening for the second year. It promises to become an annual event. Last year, 7,000 visitors attended. I was one, and I will be there again this year.

Mr. Speaker, there is an exhibit, a forum, a display, or a centre for everybody. The one connecting theme is opportunities for diversification and economic development in the prairie region. A venture development forum features knowledgeable speakers. There is a business development centre, and there are representations by associations, private operators, and government departments — something, as I said, for everyone.

For those interested in exotic birds or speciality game farming, for someone wanting information on irrigation, specialty crops, processing and so on, please come to the Prairie Venture show. Mr. Speaker, this show is just one more example of the atmosphere of optimism obvious to almost everyone in this province. Thank you.

**Some Hon. Members:** Hear, hear!

#### Lake Alma's New Skating Rink

**Ms. Bradley:** — Thank you, Mr. Speaker. Last March I spoke in this Assembly about a determined community effort of the people of Lake Alma in my constituency. The roof of the skating rink collapsed from the heavy weight of snow. No one was hurt, fortunately, but the loss of a vital recreation facility was a blow to the town and surrounding area.

I reported then that through almost total volunteer labour, the rink was repaired quickly, on time and on budget. More than a facility was restored; a centre of community life was maintained. Last Sunday, Mr. Speaker, I was pleased to attend the dedication of the new skating rink which had already been in use for the season.

It was a touching and fitting ceremony because the rink was named and dedicated to a person whose name was practically synonymous with Lake Alma community activity.

Al Haider was the SaskPower district operator for years until his retirement in October of 1993. He assumed responsibility for maintaining the old rink and he jumped into almost any project the community began.

Sadly, Al died of cancer shortly after his retirement. In his honour the rink was dedicated as the Al Haider Memorial Rink. On behalf of SaskPower, in memory of Al, a donation was made to the fund-raiser for the rink, and I was pleased at the

dedication ceremony on Sunday to honour them with a plaque with a beautiful poem written by Al's daughter, Corinne, about her dad.

Mr. Speaker, I will just say that I was glad once again to be reminded of the fine people I represent in the Bengough-Milestone constituency. They well exemplify the qualities of community, compassion, and cooperation.

Thank you.

**Some Hon. Members:** Hear, hear!

### Jean Norman Figure Skating Competition

**Hon. Mr. Calvert:** — Thank you, Mr. Speaker. Continuing on the subject of arenas, this week in Moose Jaw our community is absolutely alive with figure skating. We have in our community this weekend over 400 skaters, most of whom seem to be in our kitchen, competing in the annual Jean Norman figure skating competition.

Mr. Speaker, I want to congratulate the Moose Jaw Kinette figure skating club for hosting the Jean Norman's this year and for their hosting of the provincial championships later this year. I am very pleased to announce, Mr. Speaker, that SaskTel has become the major corporate sponsor of the Jean Norman's this year.

And I'm very much looking forward, Mr. Speaker, to this evening. This evening the three days of competitions are set aside for a public show, and the best of Saskatchewan skaters will be skating tonight in Moose Jaw at the civic centre at 7:30.

Mr. Speaker, to compete at the Jean Norman for any skater represents hours and hours of hard work on behalf of the skater, coach, and parents. And I simply, on behalf of this legislature, would want to congratulate all of the skaters, all of the coaches, all the volunteers, and all of the parents of the Jean Norman this year, with a particular congratulation to one Stephanie Calvert.

**Some Hon. Members:** Hear, hear!

## ORAL QUESTIONS

### Investigation of Justice Minister

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Justice. Mr. Minister, there already appears to have been a serious mistake made in your department's handling of the independent investigation into the former Justice minister.

In his letter to the independent prosecutor, deputy minister Brent Cotter said there is no case of this nature has ever been tried in Saskatchewan. And in the only similar circumstance, no charges were laid, as the offence was determined to be an accident.

Mr. Minister, this information is simply incorrect. On February 1, 1995, the North Battleford *Telegraph* was found guilty of

publishing the name of a young offender and fined \$500, even though the publication of the name was felt to be the result of human error.

Mr. Minister, why was this information left out of Mr. Cotter's letter to the Justice McIntyre? What steps are being taken to correct the serious omission? And can you guarantee that your department will thoroughly research the matter to determine that no other similar cases have been missed?

**Hon. Mr. Shillington:** — I thank the hon. member for his question. In fact I became aware of this controversy only a short period before the House commenced, before the Speaker called the House this morning. I am looking into the matter and will be certainly correcting any erroneous information as soon as that's possible.

As for the second portion, whether or not we will thoroughly research, I'm going to review that as well. It may well be that we should be asking Mr. McIntyre to do his own research rather than having the department do research for him. Perhaps if he's to be truly independent, he should be doing his own research rather than us doing it for him.

**Mr. Toth:** — Thank you, Mr. Speaker, and thank you, Mr. Minister. Mr. Minister, Justice McIntyre apparently asked for information regarding all previous cases of this nature in Saskatchewan. And I would think it would be appropriate for the Justice department to have researched this information thoroughly before passing on erroneous information, instead of simply asking around the office and providing anecdotal information.

Won't you agree that this is pretty sloppy work by a provincial Department of Justice, and what disciplinary action are you taking against your department officials for this shoddy work? Mr. Minister, will you respond.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Shillington:** — Thank you very much. It's a little premature to be speculating on what might happen. I think first of all we have to figure out exactly what did happen. And once we know that, we'll be in a position to take any appropriate action. I really think it would be inappropriate to speculate about what sort of action might be taken until we know what the facts are. And as I say, I just became aware of this shortly before the House commenced this morning.

**Some Hon. Members:** Hear, hear!

### Insurance Legislation

**Mr. D'Autremont:** — Thank you, Mr. Speaker. My questions are also for the Minister of Justice. Mr. Minister, 400 insurance brokers from across the province are sounding the alarm bells regarding your legislation which would allow credit unions to sell insurance services. Can you confirm that you are indeed contemplating such legislation during this session?

**Hon. Mr. Shillington:** — Well I guess I could be cute and

answer the member's question by saying no. But let me be a bit more forthcoming. The former . . . my predecessor in office had commenced the process by which the IBAS (Insurance Brokers Association of Saskatchewan), the independent association of insurance agents, and the credit unions, were meeting attempting to reach a compromise on this issue.

As I understand it, that's still ongoing, although I also gather from news reports that the negotiations have been difficult. So I understand it's still ongoing. Until that process is complete, we are reluctant to speculate about what we might do if the negotiations break down.

If they do I think that will be time enough for the hon. member to put questions to me and time enough for me to answer them. But at the moment I think we simply say we hope the negotiations succeed and we hope there's a compromise reached which everyone can live with.

**Some Hon. Members:** Hear, hear!

**Mr. D'Autremont:** — Well thank you, Mr. Minister. Mr. Minister, the Canadian Federation of Independent Business has surveyed their members and found that 66 per cent of Saskatchewan's small businesses do not want the credit unions to enter into the insurance business. In an open letter to you, Mr. Minister, the CFIB (Canadian Federation of Independent Business) said:

We are especially concerned to hear rumoured reports of such legislation when there has been minimal consultation with those outside of the Credit Union system, and certainly no consultation directly with small business and other insurance customers.

Mr. Minister, can you shed some more light on this and are you going to consult with small businesses in this province?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Shillington:** — I also got a copy of the letter from Mr. Botting and I received it, I suppose one might say. I think I can say that we're familiar . . . To be fair to the Canadian Federation of Independent Business, they may well represent some legitimate fears on Main Street about what will happen if legislation succeeds.

Those are certainly some of the considerations we'll be taking into account if and when the negotiations break down and if and when we're called upon to make a decision as to what we should do. So those concerns raised by the Canadian Federation of Independent Businesses are legitimate considerations for the government to pass over.

**Some Hon. Members:** Hear, hear!

**Mr. D'Autremont:** — Well, Mr. Minister, the talks that were originally scheduled between the credit unions and the insurance brokers seem to have little effect on what you're doing. We received a letter sent to your appointed facilitator by the president of IBAS and he says that you have changed your

mind in spite of progress in those talks. He says, and I quote:

Government is now prepared to introduce legislative amendments which would grant credit unions the power to act as insurance brokers because no final agreement has been reached in our discussions.

It goes on to say that:

The government should not enact legislation which would make a further attempt at an agreement for service futile. We are prepared to continue working immediately with credit union representatives to build on the provincial ties which have been identified between our two groups.

Now, Mr. Minister, your government is famous for implementing unilateral legislation. How about changing your tune this time. How about allowing the meaningful talks between these two groups to continue before you use your usual heavy-handed tactics?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Shillington:** — I may say I greet that question with an enormous sense of relief. That's exactly what we hope to do, is to let the talks continue. With the member attempting to get myself and the government to intervene on one side or the other, you're imperilling the talks. I'm really delighted to see that the members opposite concur in our position that these talks should proceed without a whole lot of political interference.

**Some Hon. Members:** Hear, hear!

#### Agriculture Job Loss

**Mr. McPherson:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to table in the House today a document that demonstrates this NDP (New Democratic Party) government's total lack of concern for rural people around the province, and this document is the revised figures of the StatsCan labour force survey.

Mr. Speaker, since the NDP came to power in 1991, over 18,000 jobs have been lost in the agricultural sector across Saskatchewan. That's 18,300 jobs in a province that was once dominant in agriculture. My question is to the Minister of Agriculture. Why has your government done so poorly that it exterminates 18,300 jobs in rural Saskatchewan in just over three years?

**Hon. Ms. MacKinnon:** — Mr. Speaker, I sincerely thank the member for that question. I'm glad to see the Liberal Party finally getting into the area of agriculture. What is absolutely astonishing to me is that what the Liberals are not talking about is the upcoming federal budget and what it would mean for agriculture.

What I want to ask you, Mr. Member, is what have you done to talk to your colleagues in Ottawa about the fact when the targets

came out for departments in Ottawa, the targets for cuts in agriculture were 40 per cent; the targets in cuts for transportation, which affects this region dramatically, were 40 per cent; the targets for other departments were 20 per cent.

Mr. Speaker, there is a very grave situation here. And you have the nerve to stand up in this legislature and start talking to us about what we're doing in agriculture. What are you doing with your colleagues in Ottawa, Mr. Member?

**Mr. McPherson:** — Thank you, Mr. Speaker. It's surprising to see that the Minister of Finance has to come to the defence of the Minister of Agriculture. It's their government's figures, Mr. Speaker, it's their government's figures that are on the record, 18,300 jobs that they have to answer for — no one else. You're the government of the day.

Mr. Speaker, this government has also shown its disregard in more subtle ways. Last week in their budget, the government took one more kick at rural residents in Saskatchewan. The NDP government increased expenditures in 22 of 27 departments.

But three of the ones not to receive fair consideration were the non-urban areas. Mr. Speaker, these three would be Highways and Transportation, Environment and Resource Management, and of course Agriculture, what we're talking about today, Mr. Speaker.

My question once again to the Minister of Agriculture. Government is about choices, Mr. Minister. How do you explain the choice of moving hundreds of millions of dollars, of GRIP (gross revenue insurance program) dollars, out of the farmers' pockets at a time when the agriculture is losing jobs by the thousands?

**Hon. Ms. MacKinnon:** — Mr. Speaker, I honestly have to say I'm astonished by the questions being asked by the member opposite. First of all, I would refer him to an article in the *Lanigan Advisor*: plenty of jobs available for agricultural students.

In the torrent of stories about unemployed university graduates the success of agriculture schools in getting jobs for their grads is slipping by virtually unnoticed.

But I'm astonished that the member would stand up in this legislature and ask us what we've done with our share of the GRIP surplus. We've taken our GRIP surplus and put 70 per cent back into agricultural programing.

What is astonishing is that his colleagues in Ottawa took their GRIP surplus and kept more than half of it. I am truly amazed that the Liberal Party of Saskatchewan, when a budget is coming out of the federal government that is going to have grave implications for agriculture in this province, is standing here asking these questions. What have they done to talk to their colleagues? Because we will be asking them that next week when that budget comes down.

**Some Hon. Members:** Hear, hear!

**Mr. McPherson:** — Thank you, Mr. Speaker. The Minister of Finance should be ashamed of herself. Taking the money out of GRIP that rightfully belonged to the farmers and saying, well we'll give you a little bit back and hopefully you'll be satisfied.

Mr. Speaker, this massive loss of jobs has reached a critical point. These 18,300 jobs are the equivalent of losing all the populations of the city of Melville, towns of Battleford, Tisdale, Shaunavon, and Humboldt combined. This mass exodus has occurred in only four years of your government, Madam Minister.

My question once again to the Minister of Agriculture, if he can answer it: will you table today in the House any documents that prove your government has stopped the significant outflow of jobs from rural Saskatchewan?

**Hon. Ms. MacKinnon:** — Mr. Speaker, I think the member opposite might take a lesson from the *Leader-Post* editorial. It talks about our use of the GRIP surplus and talks about how justified it is. It does not mention the key fact that what we have put our surplus back in — 70 per cent of it. The federal government, his colleagues in Ottawa, are the ones that are not giving proper support to farmers in this province.

But — excellent advice that the member may want to think about over the weekend — the energy that the Tories and NDP are expending on their GRIP fight would be much better focused on federal changes that could seriously damage Saskatchewan farmers in the years to come. Already agriculture in this province, in the last three years, has taken a hit of 60 per cent. Agriculture in Ontario and Quebec has taken hits of 20 to 30 per cent.

Agriculture has been hit in a way that no other industry in Canada has been hit, by your government in Ottawa, sir. And my concern that members of this legislature should be uniting today to share, is that this federal government in Ottawa is going to carry on and once again hit agriculture and this region in a way that is not fair. The test of this federal budget will be fairness and I'm holding the member opposite accountable as to whether or not that will be a fair budget.

**Some Hon. Members:** Hear, hear!

### **Underground Power Lines**

**Mr. Muirhead:** — Thank you, Mr. Speaker. This morning my question is to the minister responsible to SaskPower. I've been trying to obtain a meeting, Mr. Speaker, Mr. Minister, with the minister of SaskPower for a year and a half and haven't been successful. The new minister of SaskPower I tried a week ago, and have not heard, and my question that I wanted to ask is concerning constituents. But the question I want to ask this morning, Mr. Minister, relates to a good program the Progressive Conservatives put in, is burying power lines throughout Saskatchewan. And last summer my community was all buried underground.

And for unforeseen reason that all my neighbours . . . And I thank the government for carrying through the Progressive

Conservative program. But all my neighbours were buried all around me — all their power lines were buried — but for some reason my farm was the only farm that was missed.

Now, Mr. Minister, my question to you, my question to you, Mr. Minister, is this: that maybe I should not be discriminated upon now that I do not belong to the Tory Party, this administration, and will you see that SaskPower will now come and take care of my farm and give me the same benefits as my neighbours.

Will you do that, Mr. Minister?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker. Just a preface to the answer, I would want to suggest to the member if he's had difficulty in getting a hold of the minister in charge of SaskPower for over a year, he might want to check his telephone index; he might be having the wrong number that he's been phoning.

But having said that, Mr. Speaker, my office and the people in my office are more than willing to accept calls from you or any other member as we do with the general public. It's our intention to serve all customers of SaskPower, and any of the other utility Crowns take the same approach.

Our programs are based on a province-wide basis and based on area. And I can assure the member that there has been in the past no discrimination and there will be in the future no discrimination. Our programs are there to provide cost-effective power, to provide cost-effective service for all of the people of the province.

So I ask the member to recheck his telephone numbers. There are people that will answer my phone at 787-0615.

**Some Hon. Members:** Hear, hear!

**Mr. Muirhead:** — Thank you, Mr. Speaker. Supplementary. Perhaps instead of me checking my numbers and you checking your numbers, you should ask your staff, because I was personally in your office one week ago today. I was personally in the past minister of SaskPower about seven or eight times with no return call. So I do not blame you, Mr. Minister; please ask your staff. Never mind talking about telephone calls.

Do I get a commitment from you, Mr. Minister, that you will meet with me — I am requesting now — to discuss these very important matters: my constituents from a year ago, and about this problem that's up today. Do I get that commitment from you — and never mind telephone calls or checking with your own staff — to say that they will be back to me on Monday and you refused.

**Hon. Mr. Lautermilch:** — Mr. Speaker, let me answer the member in this fashion. I have been accessible in any portfolio that I have ever been responsible to all of the members of this legislature.

I've had easy access. You've sat in this House for a week; I've

been in here every day for most of the days when I wasn't away on government business, and you haven't approached me once. You walked by me here the other day. You passed me by 2 feet, and you never said a word. So don't tell me you haven't got access. Don't tell me that you can't contact people in my office and get your personal, your individual, concern heard. That's bunk, and you know it.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Order, order.

### Government Tendering Policy

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, my question is for the new minister responsible for the Crown Investments Corporation. This is the third CIC (Crown Investments Corporation of Saskatchewan) minister in less than a month, so let's see if we can get a straight answer out of this one, Mr. Speaker.

Now, Mr. Minister, our sources in the construction industry tell us that you are now very close to finalizing your union-preference tendering policy. They also tell us that it is precisely the policy that we outlined some time ago now, including the requirements that three-quarters of the employees must be hired from union halls, and the remaining quarter must pay union dues, even if they don't join the union.

Mr. Minister, will you confirm that you are in the process of finalizing this policy.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — Mr. Speaker, I would be pleased to answer the question posed by the member and make it very clear to the member opposite that it is the intent of the government — and we have attempted for some time — to develop a policy which is fair to the contractors who do work for the Crown corporations, that is fair to the employees who work on those job sites, that is fair to the Crown corporations and the taxpayers.

And we will continue to try to come up with the kind of solution that does provide that and which includes, as I might add further to the member from Thunder Creek, a clear policy on free and open tendering which is the appropriate way for tenders to be made. Unfortunately that will be a very great change from the way they used to be made in the 1980s under the former administration.

No policy decisions have been made. There are discussions that are taking place. They've been taking place for some time. And when some resolution to this issue is brought about, I can assure the member that he will be one of the first to know because I will be indicating it to him and to the public and to the people who are affected at that time.

**Some Hon. Members:** Hear, hear!

**Mr. Goohsen:** — Well, Mr. Speaker, we have three different

ministers, and we still can't get a straight answer.

Mr. Minister, the industry people that we have spoken to tell us that this is going to be the policy and that in fact you do have a policy that the 75 per cent union hiring rule is very close to becoming an absolute, guaranteed policy for the Crown corporation tendering. Unfortunately the minister doesn't have the courage to confirm this policy, Mr. Speaker.

So let's go at it from a different angle, Minister. Are you denying that this is the policy? It would be a great relief to hear the 75 per cent of union hiring rule is not going to become the policy of your government. So can you provide us with this absolute assurance today, Mr. Minister, that you will not have this as your policy?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Tchorzewski:** — Thank you, Mr. Speaker. Well I might say to the member opposite that this is a government that believes in applying policies fairly to everyone. And that's why, rather than having specific policies for a specific situation and one policy for a Guy Montpetit and his operation and another policy for somebody else who was close to the former government, this government deliberately and carefully considers the kinds of policies that will apply fairly and everybody will be fairly affected by them.

And that means, Mr. Speaker, that just because people happen to be unionized, by their choice, they should not be discriminated against as they once were under the administration here, and as in other provinces of Canada they are discriminated against by Liberal governments. That's not going to happen in this policy; we're going to be fair to contractors whether they're unionized or not; we're going to have a policy that is fair to the taxpayer because we're going to have a fair and open tendering policy, and it's a policy that's going to work well

There is no conclusion of such a policy at the present time. The member probably knows that. I have met with the construction association as late as early this morning to talk about it, and when the conclusion of these discussions are finally resolved, I can tell the member opposite I will be most happy to tell him what that policy is at that time.

**Some Hon. Members:** Hear, hear!

**Mr. Goohsen:** — Well, Mr. Speaker, the minister is just as good at sidestepping this issue as the last two were. The truth of the matter is, Minister, that you are not giving 25 per cent of the people a choice; they are forced to pay union dues whether they are in the union or not. That's not a choice and that's not fair.

Now you won't confirm your policy; you won't deny your policy. I've got a novel idea for you, Minister. Why don't we try something brand-new? How about a straight answer? How about if we just put it right on the table today for the folks in this province? Tell them exactly the truth of what's going on. If you don't have a policy, or you do have a policy, or you're never going to have a policy, why don't you tell us the straight goods here, Minister? Put it on the table. Tell the people what you're

talking about to the people this morning in your own office. Don't tell us that you don't have a policy if you're sitting down and talking to them. Now will you put it on the table today, what you talked about with those people this morning?

**Hon. Mr. Tchorzewski:** — Well, Mr. Speaker, my fear is that a straight answer — which the members opposite get every day — does not seem to persuade them to the merits of the argument. I have given the member the straight answer. The answer simply is: there are discussions which have been going on for some time with the people involved in the construction industry — both on the behalf of the employees and on behalf of the contractors — and indeed involving the Crown corporations themselves, to try to come up with a policy that is going to be workable and it's going to be fair to everybody. That is a straight answer. If the member opposite doesn't want to accept that, that's fine with me. But I say to him that it's his credibility with the public that's at stake here, not the credibility of the government, which is going to have a policy that is going to be fair and workable.

**Some Hon. Members:** Hear, hear!

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### SECOND READINGS

#### **Bill No. 8 — An Act to repeal The NewGrade Energy Inc. Protection Act**

**Hon. Mr. Shillington:** — Mr. Speaker . . .

**Hon. Mr. Tchorzewski:** — I appreciate the help from the Minister of Justice, Mr. Speaker, but I think it's best if I deliver this speech, being the minister in charge.

Mr. Speaker, I'm pleased to rise today to speak in support of the second reading of The NewGrade Energy Inc. Protection Repeal Act. This Bill is the final step in a process begun more than three years ago to renegotiate and restructure the financial arrangements governing the NewGrade upgrader project in Regina.

Now before I get into details of the Bill itself, I'd like to provide a bit of an historical perspective to the NewGrade project and the history surrounding the NewGrade Energy Inc. protection Act which this Bill is designed to remove from the books of the province. NewGrade Energy Inc. was established in 1986 to construct, own, and operate a heavy oil upgrader in Regina. NewGrade's outstanding voting shares are owned 50 per cent by the Province of Saskatchewan through Crown Investments Corporation, and 50 per cent by Federated Co-operatives Ltd. through Consumers' Co-operative Refineries Ltd..

The project was initially budgeted to cost \$793 million, of which only 159 million was actual equity. The balance, 80 per cent, was in the form of debt. And we all know that any project financed on that kind of basis cannot possibly work.

The province of Saskatchewan contributed 154 million of equity. The \$635 million in debt was guaranteed 57 per cent by the province and 43 per cent by the Government of Canada. There were no provisions made in the original agreements as to how cash deficiencies would be covered or who would cover such deficiencies as they occurred, if they occurred.

Mr. Speaker, construction of the NewGrade upgrader was substantially completed in 1988, on time and on budget. But start-up problems in 1989 and 1990 resulted in cash deficiencies of almost \$76 million which were paid exclusively by the province of Saskatchewan and the taxpayers of Saskatchewan, despite the fact that NewGrade is a 50/50 partnership. As well, the province of Saskatchewan provided an additional 7 million of financing to cover year end cash deficiencies up to December 31, 1993. To this point, the province of Saskatchewan's total investments in NewGrade had totalled \$236.7 million, but because of continued cash losses, the province wrote its entire investment down to zero by December 31, 1993.

And although NewGrade was a technological success, a fact later acknowledged by former justice Estey, it was a financial failure for the province of Saskatchewan and in imminent danger of financial collapse unless the province continued to pump money into it. Its financial problems were a direct result of the price of heavy oil in relation to the price of light oil and huge amount of money needed to service the project's \$635 million debt load.

In the event of financial default, Mr. Speaker — and this is important — the province would have been called upon to honour its \$360 million loan guarantee, and the Government of Canada would likewise be called upon to honour its guarantee of 43 per cent of the project's debt.

Now, Mr. Speaker, Saskatchewan's only recourse was to the assets of NewGrade which, as specified in the original agreements, would have had to be removed from CCRL's (Consumers' Co-operative Refineries Ltd.) property and sold. Under such a scenario, the province would have recovered only a very small fraction of its investment. The Financial Management Review Commission's report in 1992 shared this concern and urged the province to actively monitor the situation.

The Gass Commission stated the following, and I quote:

The province's ability to monitor the performance of this project and to work with its joint venture partner, CCRL, to reduce its financial exposure is severely restricted under the agreements. It is therefore not actively involved in operations management of the project and a strained relationship appears to have developed between the two parties.

(1045)

This was, Mr. Speaker, by all measures an understatement. The province and the Crown Investments Corporation attempted to renegotiate the terms and conditions of the contract during the

first half of 1992, with no success. In the fall of 1992 the province and Federated Co-ops Ltd. agreed on the appointment of former justice Mr. Willard Estey to carry out a review of the deal, make recommendations about changes, and act as a mediator between the two partners.

Mr. Estey submitted his report in March 1993. Subsequent negotiations failed to find a resolution, and as the province's fears of NewGrade's financial collapse grew, in May 1993 this Bill, Bill 90, was introduced — An Act to protect the financial viability of NewGrade Energy Inc.

Mr. Speaker, Bill 90 was passed in this legislature in June 1993 but it was not proclaimed into law. The Bill included a provision, section 17, which would rescind the Bill should a negotiated settlement be reached. And negotiations continued and on August 18, '93 a statement of settlement principles was signed which detailed the financial restructuring of NewGrade.

Because the Government of Canada was a guarantor of the project, their consent and participation was required for restructuring. In early 1994, discussions began with the new federal government with respect to their proposed role in the restructuring.

On June 15, 1994 a memorandum of understanding was signed with all three parties whereby they agreed to contribute a total of \$235 million toward paying down NewGrade's debt. And in addition, the original agreements were changed to specify who was to be responsible for any future or ongoing cash deficiencies.

Final agreements were signed on October 21, 1994, bringing into effect the statement of settlement principles and the memorandum of understanding. At the same time an order in council was passed rescinding Bill 90 as stated in the original unproclaimed legislation.

But, Mr. Speaker, under the terms of the final agreement, the Government of Canada has made a one-time payment of \$125 million to the project in exchange for being relieved of any future obligations.

CCRL has made a payment of \$50 million for an asset purchased from NewGrade, and the CIC has made an equity injection of \$50 million as well.

CCRL and CIC each also made a \$5 million grant to NewGrade. During 1995 and 1996, CIC will provide another \$20 million in grants to NewGrade, will match CCRL's payments toward future cost efficiencies of up to \$40 million, and will be responsible for any deficiencies above that amount.

The new agreement also provides for improvements in governance, monitoring, and dispute resolutions procedures. And as a show of goodwill, the province agreed to the inclusion of a penalty clause in the final agreement that bound the province to pay a \$25 million penalty to Federated Co-operatives if legislation was not passed before July 1995, formally repealing Bill 90.

Mr. Speaker, this legislation that is before this Assembly today, the NewGrade Energy Inc. repeal Act, is here because of some of the events that I have alluded hereto earlier. The renegotiation and the restructuring of the NewGrade upgrader project has been a long and sometimes painful process. But it was handled by the three successive ministers of Crown Investments, and no less than three federal ministers of Natural Resources, and two federal ministers of Finance. It places a severe strain on our relationship with the co-op movement in western Canada.

But at the same time, I submit that it was a necessary and useful process that fostered a closer working relationship with the senior level of government, and in the end brought a greater degree of understanding and respect to both partners in NewGrade — understanding of the need for partners to share the good with the bad, and respect of the partners for their need to serve the best interests of their shareholders.

So in closing, Mr. Speaker, I would like to acknowledge the role of a few key players in the process of restructuring the NewGrade deal: Mr. Vern Leland, the president of Federated Co-operatives Ltd.; the senior management staff of Crown Investments Corporation; and my predecessor, the minister of Crown Investments Corporation, the hon. member from Swift Current, who did an outstanding work on this agreement and brought it to its conclusion.

So, Mr. Speaker, with those comments, I am pleased at this time to move second reading of the Bill which I have spoken to and which I have referred to in the remarks which I have just made.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to make a few comments before I move adjournment of debate on this Bill for today.

I'd like to first of all acknowledge the fact that this government has been obsessed with renegotiating deals and it seems, even as the minister has indicated today, they've been more interested in renegotiating and putting their stamp of approval, whether or not those negotiations really mean a lot to the Saskatchewan taxpayers or even benefit the Saskatchewan taxpayers.

But let me add this, Mr. Speaker. As I was driving in this morning, it was interesting to note that one of the items on the news was that the heavy oil upgrader at Lloydminster made a profit last year, which is an indication that this project here in Regina, as well as Lloydminster, in the long run have been and will continue to be a benefit to the province of Saskatchewan.

In fact we raised the question the other day and we hope that the minister, as he was indicating earlier this afternoon, is going to be as forthcoming and respond to that question and letting us know what the government has derived in royalties and benefits, because there's a heavy oil upgrader tied on to the Co-op refinery here in Regina.

I find it interesting, Mr. Speaker, that the minister is very willing to repeal the NewGrade Act, which I believe is

unnecessary, but at the same time is unwilling to address a major concern in this province and that is The Labour Standards Act, which is inflicting a hardship on people right across this province, especially the small-business communities.

Mr. Speaker, while the government looks at repealing an Act and patting itself on the back, one is going to have to ask — and as we get into the debate there's going to be some very specific questions — as to what the deal holds and whether or not this deal is really a benefit to taxpayers; or maybe at the end of the day, all it is is window-dressing and, for all intents and purposes, maybe even a deal that brings a greater cost and a greater burden to the taxpayers.

But we want to say, Mr. Speaker, that this heavy oil upgrader, the NewGrade upgrader here in the province and here in the city of Regina, has brought a net benefit to this city in the way of job creation. It's bringing a net benefit to the province of Saskatchewan in the way of royalties that they're reaping in the processing of heavy oil, which wouldn't be done if the upgrader wasn't here.

So I think, Mr. Speaker, as we look at this piece of legislation, I think we will be able to show at the end of the day that this legislation wasn't necessary and that is just another way in which the government tries to put its stamp of approval on a good project brought forward by the former administration.

I know there's many other things I could add at this time, but I would like to adjourn debate.

Debate adjourned.

#### **Bill No. 9 — An Act to amend The Environmental Management and Protection Act**

**Hon. Mr. Wiens:** — Thank you very much, Mr. Speaker. Mr. Speaker, after my remarks I will be moving second reading of The Environmental Management and Protection Act amendment.

Mr. Speaker, sustainable development requires the protection of air, land, and water quality. Improper waste disposal, in particular hazardous wastes, is a serious threat to these important resources.

Mr. Speaker, used oil is the largest single source of waste dangerous goods in the province of Saskatchewan. Because we have not had a comprehensive collection system in place for used oil, containers, and filters, people have talked to me personally and written me letters like this one. It says:

Dear Sir:

First I want to congratulate you and the other members involved on getting our financial affairs under control. The main reason for congratulations for having done it and still not having disrupted our way of life like has been done in Alberta. According to the news in Alberta worse is yet to come (there).

A subject I would like to raise with your department is disposing of used oil on the farm.

Our son and daughter-in-law are farming 2 farms . . . On both they have close to 25 . . . barrels of used motor oil. We have run short of barrels to put it in . . . We are hoping sooner or later this can be re-manufactured.

I share these concerns, Mr. Speaker, and we are acting on them. Waste or used oil can contain heavy metals and cancer-causing compounds. When used oil is improperly disposed, these contaminants can threaten air, soil, and groundwater quality, endangering the environment and the health and safety of individuals. As the letter suggests, oil is a valuable, non-renewable resource which can be recycled and reused through environmentally safe techniques.

Mr. Speaker, the province has taken a new and proactive approach to dealing with wastes by involving key stakeholders in industry, business, government, and the environment through consultations, advisory groups, and partnerships, and designing and implementing new solutions.

In March, 1993 I established and met with a new joint group which we called the waste management advisory group to ask them to recommend ways to develop a province-wide system for collecting used oil, filters, and containers. This group had ongoing representation from oil marketers, used oil collectors, Crown corporations, urban and rural municipalities, and the province. Information and advice was also collected through two workshops involving more than 100 stakeholders. Mr. Speaker, we are taking a leadership role in developing this industry-run, province-wide used oil filter and container collection system.

The amendments we are proposing today are a first for Saskatchewan and are based upon the recommendations of the advisory group. This legislation establishes a framework where industry and manufacturers take responsibility for the life cycle of their products. This, Mr. Speaker, is what we call the stewardship model. Mr. Speaker, this is a major accomplishment and can serve as a model for the handling of other waste goods such as batteries and tires.

The amendment to The Environmental Management and Protection Act will allow the development of the regulatory framework required to implement an industry-delivered, comprehensive used oil collection program. The waste advisory group, industry, and the department will, over the next year, work together to develop the details of this used oil collection system which industry and stakeholders support.

Industry, as I said, will assume stewardship of the program and be responsible for establishing the collection infrastructure. This collection program may recover up to 37 million litres of used oil annually. The availability of a dependable supply of used oil will also encourage the development of new, innovative, used oil recycling and reuse options in Saskatchewan. I extend my appreciation to the members of the waste management advisory group for their hard work and dedication to examining this critical environmental resource

issue.

Mr. Speaker, the Canadian Council of Ministers of the Environment has developed a used oil action plan for the recovery of used oil in Canada. By developing this program, the Government of Saskatchewan, with the stakeholders, will be among the first provinces to achieve the goals of the CCME (Canadian Council of Ministers of the Environment) action plan. We will do it in a manner which is responsive to the requirements of Saskatchewan while working in cooperation with and parallel to work going on in Manitoba and Alberta.

Mr. Speaker, I am extremely excited to announce this new era in waste management that has been led by this industry and public group that has worked with us in establishing this new system for the collection of an important waste good.

Mr. Speaker, I now move second reading of The Environmental Management and Protection Amendment Act, 1995.

**Some Hon. Members:** Hear, hear!  
(1100)

**Mr. Toth:** — Thank you, Mr. Speaker. It's my pleasure to enter the debate at this time and make a few comments before I again would move to adjourn the debate.

I believe, Mr. Speaker, many people will be pleased to see this Act and the fact that we're looking at addressing some of the concerns that have been across rural Saskatchewan for the past number of years.

I believe it's unfortunate though, Mr. Speaker, that we had a piece of legislation regarding the environment passed three years ago, that really put a lot of small-business people in a difficult position — not only small-business people, but in fact people right across rural Saskatchewan, as far as the management of waste oil products. And it's not just waste oil products. Even our large urban centres have been affected by the labour legislation.

The minister talks about a new way of managing used oil. Well I think the minister may, and if he isn't aware, maybe he should talk to the people who run Lost Horse Hills oil collection system and find out how they have put together a collection system that has been working in the south-east.

And it's unfortunate, Mr. Minister, that we're bringing in this legislation to address ways in which we can manage our waste oil when that probably should have been the horse . . . or the cart was put before the horse before; now we're finally getting it in the proper order. We should have had this in place prior to changing the environment Bill, whereby you would have had a process in place that would have helped communities and business people, farmers across our province, in how they manage and how they handle waste oil products or other substances of waste material.

And so, Mr. Speaker, I think it'll be interesting to note the debate that will take place as we get into further debate on the Bill, and certainly I think there are a number of questions.

And while the minister laughs from his seat and takes lightly some of the concerns that have been raised with us, I think it's going to be very important when we start addressing it and bringing the concerns that still are out there with regards to the waste management in the province of Saskatchewan — how we manage it so that people are treated fairly.

Therefore at this time I move to adjourn debate.

Debate adjourned.

**Bill No. 12 — An Act respecting the Application to Saskatchewan of the Convention on Protection of Children and Co-operation in respect of Intercountry Adoption**

**Hon. Mr. Pringle:** — Thank you very much, Mr. Speaker. Mr. Speaker, I'm pleased to rise today to move second reading of The Intercountry Adoption Implementation Act, 1995. Mr. Speaker, this is a very positive Bill and I am confident that all members of the Assembly will support it.

Over the past few years, people wishing to adopt a child in Saskatchewan, or indeed throughout Canada, have been faced with the prospect of a five- or six-year waiting period before placement of the child. As the number of infants and children in need of adoption homes has steadily decreased, Mr. Speaker, and for many positive reasons . . . but as a result of that, the list of prospective adoptive parents continues to grow.

The situation, Mr. Speaker, combined with the deep compassion felt for children living in deplorable conditions created by war, drought, and natural disasters, cause many people to inquire about the status of these children throughout the world. They asked how they could adopt a child from another country who appeared to be in desperate need of a loving, caring family in a safe, secure environment in which to grow.

In Saskatchewan, as I expect you are well aware, Mr. Speaker, there have been a number of very successful international adoptions over the past several years. Since 1990, for example, over 70 children, most of them from Romania, have been adopted by Saskatchewan families. The current adoption procedures worked well in these adoptions. And when Romanian officials visited Saskatchewan in January of this year to observe the current status of these adoption placements, they were reassured and pleased as they watched happy, well-adjusted children interact with their new families, with each other, and in their new communities.

Unfortunately, Mr. Speaker, people in every country have not been so caring and compassionate as in Saskatchewan and Canada. As intercountry adoption became an increasingly popular option, complex problems emerged. Some adoptions were arranged through fraud or for monetary gain. Parents who sometimes felt they had little choice because of their economic status were pressured to relinquishing their children or child for adoption. These tragedies occurred, Mr. Speaker, because there were no legally binding international standards in place and no system to ensure the rights of children would be protected.

In 1988 the subject of cooperation between countries of origin and countries of destination and international adoptions was discussed at the Hague conference on private international law. Discussions include creation of a system of central authorities which could communicate directly with one another, country to country.

On April 12, 1994, Mr. Speaker, Canada, among 66 participating states, signed an intercountry agreement for regulation of international adoption. This agreement, the uniform intercountry adoption Act, is referred to as the Hague Convention. The convention regulates international adoption by establishing standards and criteria with respect to: eligibility for a child for adoption; reports concerning suitability of adoptive parents and their background; thirdly, parental consents in the countries of origin; and fourthly, reports outlining the child's background to be provided to parents in the countries of destination.

Mr. Speaker, the Act before us today provides that this province can request the Government of Canada to declare that the Hague Convention extends to Saskatchewan. Each province is addressing the issue in a similar fashion, Mr. Speaker. This Act also provides that the Hague Convention is the law in Saskatchewan and it prevails in the case of a conflict between the convention and The Adoption Act.

Mr. Speaker, the intercountry adoption implementation Act, 1995, identifies the Minister of Social Services as the central authority with sole responsibility for regulating and providing international adoption services in Saskatchewan in accordance with the Hague Convention. It provides as well that the minister may delegate specific functions to qualified individuals or agencies in Saskatchewan. An example of such a function might be the development of home studies on prospective adoption parents.

As you know, Mr. Speaker, in response to public opinion I recently announced the expansion of post-adoption services in this province. The intercountry adoption implementation Act will ensure that an internationally adopted child is guaranteed the same access to adoption information as a child adopted in this province.

Children throughout the world represent the future, Mr. Speaker. I think we would all agree that as responsible members of a society we must do everything within our power to ensure that the interest and rights of every child, regardless of where they are born, are respected and preserved. The intercountry adoption implementation Act, 1995, is a step in this direction.

Agreements which can be negotiated between Saskatchewan and other countries as a result of our acceptance of the Hague Convention will greatly facilitate intercountry adoptions by Saskatchewan families. By becoming a party to the Hague Convention, Saskatchewan will help to ensure that intercountry adoptions take place in an atmosphere of honesty and trust and that the interests and well-being of children remains paramount in any adoption.

Mr. Speaker, I am pleased to move second reading of the intercountry adoption implementation Act, 1995.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you. Thank you, Mr. Speaker. Mr. Speaker, it's certainly a pleasure to stand and make a few remarks regarding the Bill just introduced by the Minister of Social Services. I think, as the minister indicated, and I'm sure many people across the province of Saskatchewan will be more than pleased to see that we have such a Bill coming forward.

Certainly there are people who are very concerned and very interested in becoming parents, and would like to provide a loving home to a lot of children who have faced some very traumatic situations in their lives. And so this Bill, as certainly appears to me as the minister was giving his second reading speech, will facilitate that process. And I think the minister ought to be commended for that.

It's certainly a debate we've had in the House before and discussed the matter of adoption. I think, as well, as we've seen the pictures in the news when individuals have gone to other countries and brought children back that were just sitting in agencies where they were just basically a number and really didn't have anything to identify them as a home, it provides another avenue for the children to feel that now we've got a home; now we've got a place where we can feel wanted; now we've got a place where we've got the food and the shelter and the care that we've been looking for.

And so I would just like to say that I appreciate the comments made by the minister. I certainly welcome the comments and welcome the further review that we're going to engage in as this Bill goes through the hoops of this Assembly; and look forward to being a part of opening the doors that make more open adoptions and readily adoptions . . . or adoptions more readily available to the many couples who have been waiting for years to establish that home atmosphere. And so I thank the minister and I move to adjourn debate.

Debate adjourned.

**Bill No. 13 — An Act to amend The Freehold Oil and Gas Production Tax Act**

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. It's my pleasure today to move second reading of The Freehold Oil and Gas Production Tax Amendment Act, 1995.

The Act being amended provides the authority for the taxation of non-Crown oil and gas produced in the province. The amendments contained in the Bill will introduce new powers to assist in the collection of unpaid taxes, provide for the use of an average price in the determination of taxes on freehold natural gas production, and introduce minor housekeeping changes. Many of the amendments in this Bill are similar to the ones being proposed for The Crown Minerals Act and will maintain consistency in the treatment of Crown and non-Crown oil and gas.

Mr. Speaker, provisions are being added to the Act to improve our ability to collect unpaid taxes on freehold oil and gas production. Similar provisions are also being added to The Crown Minerals Act. These new revenue-collection provisions will allow the minister to collect unpaid amounts from a third party who is, or is about to become, indebted to the delinquent taxpayer. A purchaser of the freehold oil and gas would be a logical third party to approach for the recovery of unpaid taxes.

Before serving a third party demand, the minister would have to certify the unpaid amounts in a certificate and file it with the Court of Queen's Bench. Adequate and appropriate notice would be given to the delinquent taxpayer before attempting to recover the unpaid amounts from a third party. I can assure you that we would view these measures as a last means . . . or a means of last resort for the recovery of amounts owed to the Crown. I wish to point out, Mr. Speaker, similar provisions for the collection of unpaid amounts are contained in The Revenue and Financial Services Act and The Income Tax Act.

Mr. Speaker, to further parallel changes to The Crown Minerals Act, this Bill includes a provision to allow regulations to be made providing for the use of an average price in the determination of taxes on freehold natural gas production. Alberta recently introduced the use of average prices to simplify natural gas royalty calculation and reporting procedures.

The department has been working with the oil and gas industry associations to determine if administration could be simplified in Saskatchewan by using average rather than actual prices received, to determine taxes on natural gas production. We expect a decision on this matter within the next few months. By introducing the enabling legislation at this time, we will be able to facilitate the introduction of a simplified administrative process as soon as possible.

The Bill also introduces minor housekeeping changes which have no impact on the industry. In closing, Mr. Speaker, I want to note that the Canadian Association of Petroleum Producers and the Small Explorers and Producers Association of Canada have been consulted on the amendments and are in agreement with them.

I want to both acknowledge and to thank the associations for their input and advice on the development of this Bill.

Mr. Speaker, having provided a brief overview of the amending legislation, I move second reading of The Freehold Oil and Gas Production Tax Amendment Act, 1995.

**Some Hon. Members:** Hear, hear!

(1115)

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, just a few comments in response to the minister's words as to the reasons why they must amend the freehold oil and gas production Act. I guess on the surface when the minister talked about collecting taxes, you immediately think, well here we go, another tax grab and just going after taxes. But as the minister was indicating, he's talking about . . . if I understand him correctly and as we

get into the debate we will find out exactly what we're talking about as far as unpaid taxes.

One would wonder why there may be an accumulation of unpaid taxes. But I guess if we look at society, society in general at times look at ways in which they can get around the tax system. And so the fact that we're going after . . . or the Bill is basically trying to facilitate or facilitating the process of endeavouring to collect the taxes that are owed, those I think are worthwhile endeavours.

I also think the minister has a solid argument when he talks about average pricing, because it's something the industry has talked about for a number of years. And we can only compliment the minister and the government for at least reviewing that, looking at it and thinking seriously about it.

There are certainly a number of areas that need to be discussed. An area that comes to my attention, and it's been brought to my attention on a number of occasions and I'm not sure if it's necessarily tied to this Bill, but one area of taxation that comes up, and that's where individuals have the oil rights on their property and if they pass that . . . in endeavouring to pass it on to their family, if it's just left in a will, a family can be put into a very difficult and tenuous position because of the taxes are basically required to be paid up front by the family. And it may be something that the minister and I could certainly enter into discussion with to clarify that, and I look forward to that. So without any further comments at this time, I look forward to the debate and I move to adjourn second reading at this time. Thank you, Mr. Speaker.

Debate adjourned.

#### **Bill No. 14 — An Act to amend The Crown Minerals Act**

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I'm pleased again to rise in the Assembly, and this time to move second reading of The Crown Minerals Amendment Act, 1995.

The Crown Minerals Act provides the legislative framework for the granting and acquiring of all rights to interests in Crown minerals, along with the establishment of royalty rates and royalties.

The amendments identified in this Bill are designed to introduce new powers to assist in the collection of unpaid royalties and rents, to provide an adequate base of authority for existing regulations made under the Act, to provide for the use of an average price in the determination of natural gas royalties to simplify administration, and to address certain key housekeeping issues.

Mr. Speaker, while the vast majority of oil and gas and mining companies operating in our province pay their required royalties, rents, and fees, within the prescribed time lines, on occasion problems can occur. Because of this, provisions are being added to improve the province's ability to collect unpaid amounts.

The new provisions, Mr. Speaker, will allow the minister to use

a certificate process which both simplifies and speeds up the process to obtain the equivalent of a court judgement for the recovery of a debt. A properly filed certificate can then be used to recover unpaid amounts from a third party such as the purchaser of the Crown mineral. Steps have been taken to ensure that adequate notice is given to the delinquent royalty payer before a third-party demand is served.

I wish to point out, Mr. Speaker, that similar provisions for the collection of unpaid amounts exist within The Revenue and Financial Services Act, and as well within The Income Tax Act.

Mr. Speaker, several amendments are being made to the section of the Act dealing with the power to make regulations. As a housekeeping measure, we have separated the regulation-making provisions into two parts. The first part outlines the regulation-making powers of a general nature, while the second part contains all regulation-making powers respecting royalties.

While a number of new regulation-making provisions are being added to the Act, many are being added to simply provide an adequate base of authority for existing regulations. These changes will have no impact on industry. Although regulations were made in the past using rather broad and general regulation-making powers, the trend today is to provide more explicit authority for making regulations under particular legislation.

The only significant new policy initiative being added to the regulations-making section, Mr. Speaker, deals with the use of an average price in calculating royalties for natural gas. As I indicated earlier, Alberta recently introduced the use of average prices to simplify natural gas royalty calculation and reporting procedures.

The department has been working closely with the oil and gas industry and their associations to determine if administration could be simplified in Saskatchewan by using an average rather than actual prices received to determine natural gas royalties. A decision, as I've indicated earlier, on this matter will be made within the next few months. Enabling legislation is being introduced at this time to facilitate the introduction of a simplified administrative process as soon as possible.

I wish to point out, Mr. Speaker, that like the current Act, the amended Act will allow certain regulations to be made retroactive up to one year. As in the past, the powers to make retroactive regulations will be restricted to those dealing with the determination of royalties.

In closing, Mr. Speaker, I want to note that the Canadian Association of Petroleum Producers, the Small Explorers and Producers Association of Canada, and the Saskatchewan Mining Association have all been consulted on the amendments noted, and are in agreement with the changes.

And I want to personally thank the former minister, the member from Battlefords, for the input and the work that he has done on these Bills, this one and the previous one. And I also want to thank again the associations for their input and for their advice in the development of this Bill.

With those comments, Mr. Speaker, I move second reading of The Crown Minerals Amendment Act, 1995.

**Some Hon. Members:** Hear, hear!

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I'll just keep my comments short. But most of what the minister had talked about he basically had raised even in the previous Bill, the amendment to The Freehold Oil and Gas Production Tax Act, and I think a lot of the comments that I had referred to will basically overlap regarding The Crown Minerals Act as well. And so therefore at this time I'd move to adjourn debate.

Debate adjourned.

**Bill No. 19 — An Act to amend The Business Corporations Act**

**Hon. Mr. Shillington:** — Mr. Speaker, I'm pleased to rise today to move second reading of The Business Corporations Amendment Act, 1995. These amendments are being introduced with three purposes in mind.

First, they will allow for the implementation of technological innovations such as electronic filing and facsimile transmission of documents. The director of corporations branch will be able to receive specified documents transmitted electronically by clients. In addition the director will be able to send information or provide notification electronically. Technological innovations will increase the efficiency of the corporations branch and increase the convenience for its clients.

Secondly, these amendments will incorporate changes that were recently made to the Canada Business Corporations Act. For example, definitions of control and subsidiary are being amended to capture the chain of corporations under a parent company. By maintaining a degree of consistency between the federal and provincial Acts, we will ensure the Saskatchewan residents and companies have access to recent developments in corporate law.

Finally, the changes will streamline the process for adopting a new corporate name following the amalgamation. When two wholly-owned subsidiary corporations amalgamate, they will be able to adopt a new name during the amalgamation process. Previously the parent corporation was required to call a special meeting to deal with the change of name.

Mr. Speaker, I move second reading of an Act to Amend the Business Corporations Act.

**Some Hon. Members:** Hear, hear!

**Mr. Martens:** — Thank you, Mr. Speaker. The Minister of Justice gave a fine speech, and the reason why it was so fine — it was brief. And I would just like to say that we're going to look forward to asking you some questions and definitions of what you mean by electronic documentation, what all will be involved, the definitions that have been changed in relation to the federal business in relation to the federal Business

Corporations Act. We'll be asking a lot of those kinds of questions and dealing with it.

In view of that, there's one observation you made about the opportunity to change names when corporations have amalgamation. And that's probably a very positive step for them to take because normally they probably all do that or would wish to do that.

So the member who is a critic for Justice will take a look at all of the comments you made and will probably have a fairly long and lengthy dissertation on how he views the world of business corporations under the Department of Justice. And therefore, Mr. Speaker, I move to adjourn debate.

Debate adjourned.

**Bill No. 20 — An Act to amend The Co-operatives Act, 1989**

**Hon. Mr. Shillington:** — Mr. Speaker, I'm pleased to rise today to move second reading of The Co-operatives Amendment Act, 1995. These amendments will serve to streamline business operations of cooperatives.

Directors will be given additional flexibility to change the location of a registered office of a cooperative. Presently directors can only change the location of a cooperative's registered office within a municipality. A change of address outside the municipality requires a membership vote to change the by-laws. These amendments will enable the directors to simply file a notice or indicate a new location in Saskatchewan in the cooperative's annual return.

Another amendment will simplify the dissolution or winding up process in the Act for a cooperative that's inactive and whose membership cannot be located. If such a cooperative hold limited assets or liabilities, the current dissolution process is cumbersome. The Act currently has a simplified dissolution process for cooperatives with no assets or liabilities. These amendments will extend this streamlined dissolution process to cases where there are limited assets or liabilities.

Mr. Speaker, the amendments to the Act will also limit the use of the term co-op to part of a business name for cooperative organizations. This is essentially the situation for cooperatives incorporated in Alberta, Manitoba, and under federal law.

Other amendments clarify the intent of the legislation. For example, the Act will be clarified to make it clear that their directors cannot enact or amend by-laws. It was never intended that the Act be construed to permit members to delegate the powers to amend, repeal, or enact by-laws.

Mr. Speaker, I move second reading of An Act to amend The Co-operatives Act, 1989.

**Some Hon. Members:** Hear, hear!

(1130)

**Mr. Martens:** — Thank you, Mr. Speaker. Here too there are a number of changes that are probably going to streamline the

responsibilities that The Co-operatives Act will have on the people of Saskatchewan. And so the items that the minister mentioned, for example, location of office, change of address, will be a positive.

Winding up the cooperatives when they're no longer in business is likely going to take a little longer for us to discuss about where the assets and liabilities will accrue. And the third item that you raise, Mr. Minister, Mr. Speaker, I think has some positive significance. The directors need to go to their membership to see whether they want by-laws changed, whether they want the rules changed that the directors operate under. And I believe that that's a very significant point, and I'm glad you raise it.

The member responsible for the Department of Justice and this Act will be expanding on these issues; therefore, Mr. Speaker, I move to adjourn debate.

Debate adjourned.

**Bill No. 21 — An Act to amend The Securities Act, 1988**

**Hon. Mr. Shillington:** — After two such brilliant orations, members no doubt anticipate more of the same, Mr. Speaker.

Mr. Speaker, I am pleased this time to rise to move second reading of The Securities Amendment Act. The Bill before you provides for many changes to The Securities Act, 1988. A number are quite important. Perhaps none is more important than the amendment to clearly state the purposes of the Act which are to provide protection to investors and foster fair, efficient capital markets and confidence in capital markets.

As The Securities Act is interrelated on a national and international scale, it is important that it be regulated in a consistent and efficient manner. The changes before you will assist in providing that consistency and efficiency and balance it with investor protection in the following ways.

The Securities Commission, when authorized by cabinet, will be able to make regulations. This will allow it to coordinate its regulating functions with other commissions in Canada which have or are obtaining similar powers. This has occurred after extensive review of the Securities Commission's rule-making authority by independent inquiries.

Safeguards will exist to ensure that cabinet can predominate by passing a new regulation to amend or change one made by the commission. Public comment procedures will be provided by order in council instituting a notice requirement in advance of any regulation made by the commission.

The commission will be enabled to set up registration requirements for those trading in futures and options, setting requirements similar to those in force elsewhere that allow a securities commission to obtain the same level of information from commodities and futures traders as now exists for the trading of securities.

The interjurisdictional cooperation in regulation that exists will be further enhanced by changes allowing the commission to

obtain evidence for other securities administrators, allow a person outside Saskatchewan to be examined concerning a matter investigated by the Saskatchewan Securities Commission.

In addition to matters fostering uniformity and cooperation, investor protection will be encouraged by measures that will prohibit market manipulation. The commission will have the power, after a hearing, to: suspend those registered to sell securities; cease trading in a company's shares; reprimand a person or company; remove a director of an issuer; order payment of an administrative penalty up to \$100,000 or the cost of producing public education material.

Individual investors' rights will be enhanced with expanded rights of action for misrepresentation in offering memoranda, rights of action for verbal misrepresentations made in connection with the sale of securities, or in advertising.

Finally, there are changes of a technical nature that repair drafting errors and inconsistencies and encourage harmonization.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Shillington:** — These matters are discovered during the daily work of the commission as it deals with applications for exemption from some of the statutory provisions. The commission is often requested to make adjustments required by extraordinary situations not contemplated when the provisions were made. These provisions should help the public in its interpretation of the statute and simplify their dealings with the commission.

I do not propose to review all of these changes, although urged to do so by many members of this Assembly.

Mr. Speaker, job creation depends on the ingenuity and hard work of many people. It also depends on balanced regulation to ensure adequate markets are there to serve those in need of capital. This can only happen when investors are confident and willing to participate in the market. These changes will continue to ensure that Saskatchewan can meet those needs in cooperation with other regulators.

Mr. Speaker, I move second reading of The Securities Amendment Act, 1995.

**Some Hon. Members:** Hear, hear!

**Mr. Martens:** — Thank you, Mr. Speaker. This Bill is fairly lengthy and it has a lot of very technical things. It has a lot of very technical things. I noticed at the beginning of your remarks, Mr. Minister, that you were going to make it so that the people could feel more secure when they're meeting with people who are selling and providing opportunity for investment by the general public. And I think that that's a step forward.

Because it is so very extensive and it's going to take time to analyse that, Mr. Speaker, I'm going to move for an

adjournment of debate.

Debate adjourned.

COMMITTEE OF FINANCE

General Revenue Fund  
Economic Development  
Vote 45

**The Chair:** — Before we proceed, I would ask the Minister of Economic Development to introduce the officials who have joined us here today.

**Hon. Mr. Lingenfelter:** — Mr. Chairman, I appreciate that introduction and the opportunity to introduce my staff. And also I would like introduce to the committee the Associate Minister of Economic Development who will be helping in the project today. But seated to my right is Pat Youzwa, the deputy minister of Economic Development. Directly behind me are Mr. Peter Phillips, the assistant deputy minister of policy and coordination; and Bob Perrin who is seated behind me and to my right, executive director, programs and internal operation; and Sharon Roulston who is sitting in the back, director of internal operations.

Item 1

**Mr. Neudorf:** — Thank you very much, Mr. Chairman. I guess it's good to be back in committee here, Committee of Finance, dealing with Economic Development. Welcome to the officials. I hope that we will have over the next course — however long this takes — some productive discussion. And like I always do say, the length of time which we will be spending in estimates on Economic Development is directly proportional to the quality of answers given by the minister. And once we have determined that he has been held accountable, then of course we will go on to some other form of business.

I think it's noteworthy also that the first day of business following the budget speech, that we are actually in the Committee of Finance, in estimates. This is the first time, I believe, since I've been in the legislature, since 1986, where that has happened.

Now before I get carried away and do too much . . . give my colleague too many accolades, I suspect that perhaps it is because there is not enough agenda as far as the legislative agenda is concerned. We are now up against it, and the only other alternative is to have some form of estimates or other.

The other first, preliminary remark I want to make, Mr. Minister, is in regards to your colleague sitting beside you to your left there, and that's the member from Athabasca. And I want to publicly take this opportunity to congratulate him on his appointment to cabinet. It's unfortunate that the circumstances are such that we need that many ministers. But on a personal level I say to you, sir, that I congratulate you, and I think that you've earned it. You've certainly earned your position here over the many years. And on that level I hold you in great respect, and I know that you will do your best and do fairly

good at . . . or do well in your position.

And maybe the minister would at the same time, since I've raised this issue of an associate minister and so did you, perhaps for the benefit of the viewing audience you could describe to the people of Saskatchewan why there is a Minister of Economic Development and an Associate Minister of Economic Development and what your diverse responsibilities are and what your cohabitant responsibilities are as well.

And I know that there has been this type of associate ministership for many, many years. And perhaps we could begin, Mr. Minister, with a simple question like that, and then we'll get on into some of the more detailed questions.

**Hon. Mr. Lingenfelter:** — Well I just want to say to the member from Rosthern, I appreciate very much the opportunity to be here to answer questions from the opposition and also to say that the relationship between the member from Rosthern and myself goes back many years. And I think we've always been able to carry out this role of opposition in government or government in opposition, depending on how far you go back, with a good deal of success.

And so I look forward to the next few hours. And probably the estimates for Economic Development will take a good number of hours because there's a lot of material to cover, and jobs being probably the most important issue in the province of Saskatchewan today, especially as it would relate to youth employment. And the many projects that we're endeavouring to bring on certainly would indicate to the public that we see jobs and employment as being a significant issue that we have a role to help facilitate.

(1145)

As it would relate to the member for Athabasca, obviously we are very pleased that he has come on board to help us with this important department. The role of the Associate Minister of Economic Development will be of course to deal with economic development, job creation, and those areas of the department related to — in particular but not limited to — northern Saskatchewan.

The difficult problem a minister of Economic Development has is simply getting to all the areas of the province often enough to deal with the many myriad of issues that there are in the department. And when that relates to northern Saskatchewan, the problem of being there is even more difficult.

So to have an actual member of the legislature now in cabinet who will represent the interests of Economic Development in northern Saskatchewan I think will do wonders for the ability of our department to move in that area.

The other fact, that the member chosen to be the Associate Minister of Economic Development is from the North, and 20 years experience in the Assembly, I think will go a long way to giving us the kind of credibility that we need when dealing with northern issues and northern economic development.

**Mr. Neudorf:** — Thank you, Mr. Chairman. The obvious thing here is that while he has specific duties in the North, I submit as well that the expectations of the people in the North have been raised a considerable amount. Because quite frankly, Mr. Minister, those expectations over the last couple of years had been severely dampened because of the situations as they were developing.

And I know that the problems are very, very severe there when it comes to unemployment. I know what I'm talking. I used to be the minister of Social Services and whenever I headed up North, that was always the contentious issue and the underlying issue, the underlying current in the North — simply for jobs. As indeed, Mr. Minister, it is throughout the province, has been for the last number of years, and continues to be.

To have a legitimate discussion on some of the issues that we're facing, obviously we need to know precisely where you stand as a government. And for such kind of information I was anticipating and was looking forward to getting the annual report for the Saskatchewan Economic Development, which I have not received. So my reports and my comments will be based to a large degree on the latest one that we as an opposition have, which is the '92-93 Economic Development report.

Furthermore, on SEDCO (Saskatchewan Economic Development Corporation), there's no annual report on that either. And yet we're going to be spending time in this legislature now discussing the achievements and the failures of these particular departments. And so that is something that I think should have been addressed. So perhaps you want to address that now.

**Hon. Mr. Lingenfelter:** — I tabled the document that you're looking for I think today and I will endeavour to get someone to get it for you so that you have it for . . . I know you'll need time to read it. But obviously we're not going to finish the estimates today. And this being the first set of estimates, I'll get a copy of it to you right away and you'll have time, before we bring the Economic Development estimates back, to have a look at the most recent annual report.

**Mr. Neudorf:** — I might indicate to the minister that we do have I think by now the majority of the annual reports of all the agencies, corporations, and departments, and this one that we're starting with has not come out yet. And I understand that although you may have tabled it today, the Economic Development annual report, SEDCO apparently has not been tabled at all. So we'd certainly be looking forward to that one as well.

Mr. Minister, to expedite matters in this legislature, for the last couple of years the opposition has instituted a procedure to help expedite and facilitate this discussion. And in order to do that, we have forwarded to you, perhaps a number of months ago already, a standard set of questions that we ask all the departments so that you know ahead of time what the questions are and then you will be able to answer them in writing ahead of time so we can use them as a basis as well.

And certainly that speeds up the process. Instead of me standing

here and asking all of those questions and putting them into the verbatims that way, this can be speeding up the procedure as well. So I want your commitment to that, that before these estimates are finished, we will have the answers to those questions and any subsequent supplementary questions that we may have.

**Hon. Mr. Lingenfelter:** — Yes, I just made a note of that. You can be assured that that information is being compiled. That system seems to work much better than spending hours and hours of time in the legislature asking. So when we return I'll try to be sure that we have that information compiled for you.

**Mr. Neudorf:** — I'm going to give you an opportunity, Mr. Minister, to give a state of the union address to us because I know you're going to have to get it off your chest somewhere along the line and we may as well get it over with and then we will know precisely where you stand in terms of your objectives, which objectives you feel that you have done particularly well in, and candidly perhaps even those that you have not achieved your objective, and so on.

So give me a summarization over the past year, as the Minister of Economic Development for the province of Saskatchewan sees it.

**Hon. Mr. Lingenfelter:** — Well I appreciate the member's comments and his offering me to give a state of the economy report to the legislature. And I'll try to do that very briefly because I think there has been basically so much news about the economy in the last few weeks that much of it will be old news.

But I also want to say to the member opposite that on January 4 in *The Village Press* I appreciate also his comments and his MLA report where, I quote, he says: '94 was a very good year and saw the economy rebound after several years of recession and stagnant growth. And I really think that in the spirit of the new economy, I think there are occasions when there can be consensus on what is happening in Saskatchewan. And I think as it would relate to the economy, this is certainly one of them.

I just received the annual report for '93-94, an extra copy, and I'll send that across to the member from Rosthern. But just briefly, to run over the strategy for economic development that the Government of Saskatchewan has had since 1992, you'll know that leading up to the announcement of *Partnership for Renewal*, which is the document by which we develop economic development in the province, we had a number of meetings with business people, with labour, with cooperatives, that told us very clearly that what was needed in the province of Saskatchewan was a design and a blueprint for economic development. And a development plan that would not be a one-year or six-month or two-year plan, but one that would be long term and actually be renewed and regenerated on an ongoing basis.

And to that end, in November of 1992 we released to the public a document known as *Partnership for Renewal*. And in this document were included 31 initiatives that we set out to accomplish — goals and objectives with deadlines and times attached to them.

And at this point we are doing very, very well in achieving a vast majority of those goals, and including but not limited to such things as establishing a uranium policy that would allow for the expansion of uranium mines in northern Saskatchewan; the wind-down of SEDCO, which is very close to being completed; the development of a Tourism Authority, which is now up and operating. They're just in the process of bringing on a new executive director, and an announcement will be made on that in the very near future.

As well, the work that is being done by Milt Fair and his committee on the development of a Trade Development Corporation, are all projects that are well under way and are at least in some ways assisting the business community of Saskatchewan, and particular medium and small businesses in a very, very big way.

Mr. Chairman, I think it's clear to the public of Saskatchewan that there has been a very drastic change in the direction of the economy of Saskatchewan and as it would relate to the facilitation of government, a major refocusing away from large megaprojects and refocusing on what we believe Saskatchewan has always been about — that is the development of jobs by small and medium-sized companies. Not only small and medium-sized companies, but also diversifying some of our cooperatives, and literally thousands of jobs being created as a result of small and medium-sized companies picking up that challenge.

And so to date, when you look at the economy of Saskatchewan, it is a very strong and vibrant economy after, as you say, a number of years of recession and problems of stagnation, low wheat prices, and a number of problems with resource-based companies, to today where we see exports up significantly, retail sales in 1994, an increase of about 9 per cent. You look at potash sales, uranium sales; oil and gas leases up significantly.

And I like to compare it to an economy . . . the economy to an engine. And if you thought of it as an eight-cylinder engine that maybe was pounding away on four cylinders in 1991, it is probably now firing on seven and very close having the eighth cylinder kicking in.

So you see in the area of jobs, about 16,000 new jobs since 1992 in the non-agricultural sector. And this is a significant increase from a group of people, business people, who have invested in Saskatchewan, and we are now benefiting from the result of that, both in increased profits, increased sales, and increased jobs.

**Mr. Neudorf:** — Well thank you for that synopsis, Mr. Minister. It was actually relatively short; I thought that you would have more to talk about than the issues that you did raise.

And yes, I do write every week in my local papers. I keep my constituents up to date as much as one can in a short weekly article and cover a variety of topics. And one thing that I've always set myself to do on a consistent basis is say things the way they are. And I say it the way I look at it. I may not always

right; I'm not saying that, but that's my viewpoint of the world at least.

And when I said in that paper that 1994 had been a very good year, it was a very good year. It was a good year because of such things as increase in wheat prices, particularly durum wheat. Barley prices went up, Mr. Minister, and as you admitted just now, the oil windfall that has come your way in terms of sales, lease sales . . . leases and sales and so on. What has happened with the world price of potash? What has happened to the world price of uranium? What has happened to the increase in the ag machinery sales and so on which are a direct relationship to the health and the wellness of the agricultural scene and timber?

We could go on and on and on, and we could talk about the resource sector and how that came about and increased in its ability to add to the provincial coffers. And most of those actually were very little, if any, of a direct response to something that this government did or did not do.

And as a matter of fact, I'm going to suggest now that had this government been a little bit less involved, had this government been a little bit less intrusive into the lives of individuals and business community in this province, we would in fact be in a better economic situation than we are right now because, quite frankly, Mr. Minister, without going into the budget aspects that my colleagues have debated in this legislature over the last while, a lot of this situation of defeating the deficit, if you want to put it that way, has come on the backs of these very same people in terms of the utility rate increases.

And I could go through the litany of the utility rate increases that have occurred, and then a mild refund of a portion of the natural gas to alleviate some of the concerns of the people . . . or such things as the increase in the power rates or SaskTel rates or of course the breaking of your promise in the '91 election where there would be the elimination of the PST (provincial sales tax), and now we find ourselves, instead of paying 7 per cent, we are paying 9 per cent. So these things certainly do not augur well.

Now I guess one of the things, Mr. Minister, that we're going to be doing here over the next little while is discussing the merits and demerits of the various ratings given to the jobs situation in this province. And whether we use StatsCanada figures or we use some other form of figures, I don't know what the result of this is going to be. You just indicated now that there are 16,000 jobs more than there were in '91. I don't care if there's 100,000 jobs more than there were in '91. If there's 101,000 jobs lost at the same time, there's a net deficit of 1,000 jobs.

(1200)

And I think that is an inescapable figure. I think that's a figure that you're just going to have to live with, that in spite of what you say, in spite of how you manipulate numbers, there are fewer jobs in Saskatchewan now than there were in 1991 — and that, in spite of all of the windfall that you are having and that you were fortunate enough to receive.

One other comment that you made that I will have to pick up on and take issuance with is your suggestion that your government somehow has changed the way that this province does business. And you indicated that you are going to hang your hat on the fact that you no longer do megaprojects. And the minister agrees with me, and he shakes his head and says, that's right. But he was saying, we don't do that any more. No megaprojects.

Well, Mr. Minister, you and one of your new ministers right now has embarked on the biggest megaproject that this province has ever, ever undertaken, and that is your gambling — the biggest megaproject that this government or any government in Saskatchewan has ever undertaken. And there will be no doubt ample opportunity for us to pursue those kinds of things.

Now, Mr. Minister, I know what the Premier said to the Premier of Alberta, Ralph Klein, somewhere in China. Now whether Mr. Klein should have divulged private conversations, that's a matter of contention I guess. And I know you and I would never do that because we've said a lot to ourselves, to each other, over the course of the last number of years. So we respect that. But when he tells us . . . the Premier of Alberta tells the world that your Premier and your leader of your party has said, well I'm over here simply because I don't really believe in what we are saying; I'm not an NDP, you know. But still he leads the NDP Party.

Now you, sir, Mr. Minister, I have known for a long time . . . are not really an NDP. You don't think that way. You may be an opportunist or whatever happens to be that the grass was greener on that side, but I think that as time goes on you are showing more and more what your true colours are. And that I'm not saying is necessarily bad.

The point I'm going to try to make now is by referring to the '92-93 Saskatchewan Economic Development annual report, and in that report I have highlighted a few of the things and so on that you have stated back in . . . must have been in '94 when this was written for the '92-93 year. And you state that Saskatchewan's economy cannot be viewed in isolation from international economic conditions. And I wholeheartedly support and agree with that because that's what we've always written in our reports, and that's the philosophy that I maintain. But I'm going to suggest that that's a philosophy perhaps that's a little bit foreign to the NDP. And you're coming on-stream; it's slowly, coming slowly. We're kicking you or dragging you into the 20th century, but we're getting there.

I remember very distinctly you getting up and saying how terrible the NAFTA (North American Free Trade Agreement) was, how terrible the bilateral agreement between the States and Canada was . . . (inaudible interjection) . . . Thank you. The FTA (Free Trade Agreement).

Now the other area that you have mentioned here is, however, you even go further and say that failure to reach a successful conclusion in '92 to negotiations on the General Agreement on Tariffs and Trade had a negative impact on Canadian agriculture. So all of a sudden we're a world community where it is recognized that we are a world community, that we are not

an island unto ourselves, that we are not a province that can, as you said in the '91 election, be allowed to draw borders . . . or walls around its borders. And again, I agree. That's precisely our point. That's precisely our philosophy that we have always had and hopefully will continue to have.

Your other comments on this report goes on to say: "Within the province, the poor harvest in 1992 had a significant negative impact on real growth." Now that's shades of the '80s, isn't it? When I read an article in the *Leader-Post* today that says that the Tories were responsible for a horrible mismanagement in the '80s, these folks also forget the fact that in '80s the economic conditions were different. In the '80s we did have, as you have just finished saying here, poor harvests. We all know that.

In the '80s we did have poor prices, not only poor harvest, grasshoppers. You've heard that long litany; I'm not going to go into that. But these are the kinds of things that happen and precisely in the '80s, the reverse of what we're experiencing right now. And when I mentioned before that you have all these lists of goodies like high wheat prices, high oil prices, potash, uranium, ag machinery . . . they're high now, but in the '80s exactly the opposite. So you have to support, you have to support these communities while that is going on.

But here is another interesting thing. Back in the '90s —'90,'91 years — you and your colleagues over here used to really enjoy raking us over the coals for what you call a megaproject. And you don't do any megaprojects, right? You don't believe in megaprojects; you just said that.

And yet, regardless of where I look, which paper I look at, it's your Finance minister in New York bragging about the good things going on in Saskatchewan. And what are the good things going on in Saskatchewan? Invariably it's Weyerhaeuser. Invariably it's Safeco. Invariably it's some of the megaprojects.

Now he's shaking his head. But I'm going to say what you said in your '92-93 report, Mr. Minister. In '92 you're saying, boy we really didn't have a good year:

. . . poor harvest . . . Construction output also declined, as work wound down on the Lloydminster heavy oil upgrader and the Saskferco fertilizer plant.

So how are you rationalizing the downturn? Oh, the megaprojects were not . . . you know, we ran out of megaproject work. The construction period, the boom in the number of construction jobs had levelled off. So it's kind of interesting, Mr. Minister, how one thing can revert so quickly, and your words catch up with you. You go on to say:

. . . Saskatchewan's 1992 real gross domestic product (the GDP) (is) 3.5 per cent lower than the 1991 level . . .

What was the weakness due to?

. . . A 25 per cent drop in farm output due to wet and cold weather;

... employment (you say) fell by 8,000 (people) ...

Well that's precisely the point that I've been trying to make. Here's a positive note, Mr. Minister:

The unemployment rate, at an average of 8.2 per cent, represented Canada's lowest unemployment rate.

That's good. I mean we want jobs, right? But has it not ever been thus — as far as my recent memory anyway — is that Saskatchewan has always been either at the lowest end of the unemployment rate or second lowest? That's traditionally been our situation and our position.

You say:

... manufacturing output is expected to improve significantly in 1993-94 ...

Projects once more, these megaprojects ... because what are you pinning your hope on in '93-94? The Lloydminster heavy oil upgrader, the Millar Western Pulp mill, Saskferco fertilizer plant, as they reach full capacity. Then you're expecting an upturn in the Saskatchewan economy.

Again, again you're piggybacking on something that the previous ... former administration did for which we were roundly chastised at the time. But history has proven us correct, and the people of Saskatchewan are now reaping the benefits for that. And if you want to claim credit for it, that's fine. That's all right too because the important thing is that the people of Saskatchewan are benefiting.

Now over the last eight or nine years I've been in politics, and I've been in this legislature, and now that I'm not going to be here any more the reporters keep on asking me, well what are some of the highlights that you saw over those years? Do you know what my stock answer is, Mr. Minister? I was very happy and glad to be part of a government that forever changed the direction of this province, the economic direction ... (inaudible interjection) ... Oops, oops, I'm getting your attention.

Now just listen here; just listen now. The direction that the governments, future governments of this province, will have to take has been irrevocably charted and we were part of that.

When I came into the legislature this morning — and most of you who are back-benchers will have seen the same thing because the cabinet ministers are allowed to come in in a special entrance so you won't have seen this — but there was a gentleman out on the front step with a big sign. I won't say completely what the sign was because it wasn't very nice, but it was a sign against the Wheat Pool. It was a sign against the Wheat Pool's new endeavour, which is of course to do what we've always been promoting, and that is have bond offerings, shares, the ability for the people of this province to participate in financial transactions.

Mr. Minister, that's what I mean about the new course that has been charted in this province. People are now aware that they can be full-fledged partners in any economic activity at

whatever level they are at. The big spenders have more money, can go at a different level, but everyone in this province now is aware of what a share is, what a bond offering, share offerings are and that they will be able to participate.

And you folks will never turn that back. That's why I'm glad. You folks will never turn that back. People are aware of it. The Pool is aware of it and we support them a hundred per cent. And, Mr. Minister, when that Bill comes forward we're going to be behind it with you, to see to it that the Pool is actually given this opportunity to restructure their whole financial situation so that they can address their debt and continue to be a strong, good, motivating force in this province.

That is my definition of where this province should have been going right along. We're on track. You folks are on track. You're picking up on all of our REDAs (regional economic development authority) and all these other economic expansion points that we've got out there, the community bonds issue.

You see that's what it's all about — people having ownership and people grabbing a stake in their own future and being able to do something with that. And there are varying degrees of success around the province. We're still in the infantile stages and we have to be careful that this is gone about in a good, meaningful way so that we don't have any unpleasant experiences.

But we're heading in the right direction. Mr. Minister, I want to congratulate you that you are of the same frame of mind, to a degree at least; that you're continuing to pick up on the direction that we have forged for this province. And if you do it, and if you do a good job, I think the people will support you, and certainly we're going to urge you to continue on in many of those initiatives that we have created.

Now I know that the minister's anxious to get up and start talking about — oh what are some of those things that they used to talk about? — gigamess and so on and so forth. Small, isolated incidents, but they're very powerful media-wise, I know, very powerful media-wise because they attract attention and so on and so forth.

So, Mr. Minister, I've taken a fair amount of your time. I'm going to give you an opportunity to admit that we were right.

**Hon. Mr. Lingenfelter:** — Well I appreciate the member's optimism about hoping that I will admit the Tory administration between 1980 and 1991 were right, but I want to say that there were some things that you did do to change Saskatchewan and one of them was running debt.

I remember early in the mandate of your administration, the premier at that time, the member from Estevan, going to New York and telling the bond rating agencies that the economy of Saskatchewan was so strong you could afford to mismanage it and still break even. He never broke even once in the next nine years that he was premier of the province.

So you changed the direction of the province, there's no doubt. But happily you are wrong when you say that you changed it for

ever and in fact the budget this year being balanced for the first time since you people took office in 1981-82 indicates that you are absolutely wrong, because that change was not for ever; we have now balanced the books again, with a great deal of help from the business people and working people of the province of Saskatchewan.

I want to say that you talk about the fact that the reason the economy is doing good is just good luck, that there is nothing that government has to do with the fact of whether the economy goes well or whether the books are balanced. But I want to say to you that many business people in particular in this province are beginning to get the sense, after looking back historically . . . and I think you should remember that those who don't remember those bad days are doomed to repeat them.

(1215)

But the fact is that many business people look back historically — and you can go back to 1929 when the Anderson government, the Conservative government, was elected in Saskatchewan, and the Bennett government, the Tory government, in Ottawa. And my father remembers when their family had to pull the engine out of their car and hook it up to horses. And they were called Bennett buggies. And there was a bit of bad luck that occurred when the Tories were in government during that period.

And then miraculously Tommy Douglas got elected, and the province boomed in the 1950s and the early 1960s. And then again as if by magic, a right-winger, Ross Thatcher, was elected in the 1964 election, and things got bad again. Just luck, it was bad luck that Ross Thatcher got into all those problems.

And then just by accident, Al Blakeney got elected in the 1970s, and things got good again — just lucky. And then in the 1980s we elected another right-wing government, and things unluckily got bad again. And then in 1991 we elected a NDP government, and they got lucky again.

But you know what? Many business people say you can argue whether it's good luck or good management; they're not going to take a chance on having bad luck again. They're going to stick with the NDP. And they have decided, many of them, that for whatever reason the till rings more when New Democrats are in government than they do when the right-wingers are in government, feeding their big corporate friends.

And when I say that megaprojects are no longer a major thrust of the government, I'm talking about major development using taxpayers' money as the basis for the development. If someone wants to come here and drill oil wells, they're welcome in. They're welcome in. If Sears wants to come here and do a call centre with 800 people, they're welcome to come. But the difference is large businesses can no longer expect tens or hundreds of millions of dollars of taxpayers' money to buy them to come here.

If we're going to spend money, we'll spend it on the small entrepreneurs, small companies, small businesses, and that's where you're going to get the lion's share of your jobs today and

in the future. It's great to have Saskferco producing fertilizer in Saskatchewan, but the number of jobs at that plant, I think the member would have to admit, are not great. I mean there aren't thousands of jobs at the fertilizer plant. There were more jobs when it was being constructed, and the construction jobs were very much appreciated. But when you look at the hundreds of millions of dollars that your government put into those megaprojects . . . and you listed the good ones. You listed the good ones, and I'm not going to get into listing all the bad ones.

But one only needs to grab the book, *On the Take* by Stevie Cameron, and look at the many deals that the federal Conservative government of Mulroney did while they were in government and a whole chapter dedicated to gigamess and the Conservative government in Saskatchewan. I'm not going to get into the details, but you listed out some of them that are still in existence. I'm not going to list out the long litany of failed projects where millions and millions of taxpayers' dollars simply went out the window to some of your friends.

And when I say the direction has changed, it has changed. We have refocused away from megaprojects using millions and millions of dollars of taxpayers' money, to small and medium-sized businesses and regional economic development authorities. I'm not saying that if a megaproject wants to come to Saskatchewan, for example in north-east Saskatchewan, and do something with the paper or pulp, that we wouldn't invite them with open arms. But you cannot expect the taxpayers of the province to run up billions of dollars in debt to get a few jobs. That simply is not the way economies work.

Let the economy work. Let the cooperatives do their thing. And what you will find, as with Tommy Douglas in the 1950s and early '60s, the economy will flourish when that partnership of government, working people, cooperatives, and businesses, work together. It's when you pit them one against the other — that one philosophy works, and one philosophy doesn't work — that's when you get the disasters of the Anderson government, the Thatcher government, and the government that you represented in the 1980s.

**Mr. Neudorf:** — Well, Mr. Minister, you quite eloquently made a major, major point that I was trying to make while I was on my feet before. And that simply is that when times are tough, people turn to Tory governments. Tough times are Tory times; you've heard that expression. Tough times are Tory times because that is when management is needed.

Let's take a look, for example, Mr. Minister, in 1981. In 1981 you had an imminent disaster occurring with people in this province. We had 22 per cent interest rates at that time. We had come off a downturn in the entire economy, whether it was with oil, whether it was with wheat, whether it was with potash. Everything was starting to crack up under your administration, Mr. Minister.

Why do you think that you got turfed out in one of the biggest election turnovers in all of Saskatchewan history in 1982? It was precisely of the mess that you had gotten ourselves in. And you know what period of time that you got ourselves into that mess? It was in the super '70s, the super '70s — the best times, I would suggest, that Canada has ever known, when everything

was booming and there seemed to be no end to anything, when you walked into a bank and the bank manager was trying to press more money in your hands than you really wanted. That was the attitude. That was the spirit of optimism. It was the spirit of, there's nothing that mankind cannot do.

And you guys fell for it. And what did you do? In spite of those super times, instead of building up a contingency fund for bad times, you went to New York and you borrowed more billions of dollars. You went ahead and you invested in your megaprojects, and you bought dry holes in the ground that were there already, and you set up your Crown corporations, your family of Crown corporations. That's where you spent the money of the good times, Mr. Minister.

And did you pay off the teachers . . . the old pensions that we were talking about yesterday. That's where the teachers' pension funds were in the same time, the same thing as your pension, Mr. Minister. And there was — what was it? — 1.2 and I believe it's up to \$2 billion now in unfunded liabilities on those pensions.

Those were the things that you did during the good times. Those were the debts that you were creating during the good times — the super '70s. And when things started getting sour the people turfed you out. And quite frankly, I think we got elected because we happened to be there at the time with a vibrant premier and to whom the people of the province at that time said, we're going to let him go and become premier of this province, because they did not trust you any more during the good times. Anyone can be in government in the good times. And so that is the point, Mr. Minister.

So having established that fact, I think beyond any reasonable doubt, we will continue on to some of the other questions that I could go on. And you, sir, wanted to talk about economic diversification. I've got a list here that would take us . . . well there's no point in me getting into where some of these so-called megaprojects . . . Weyerhaeuser, we could talk about the \$91,000 a day that your government was losing on simply having a pulp mill in Prince Albert with half the numbers of people working that there are now.

But because, because there was this desire to improve the situation in the province, there was this desire to take this burden off the backs of the people, of losing \$91,000 of taxpayers' money a day in Prince Albert pulp mill alone, what did we do? We made a deal with one of those evil multinational companies that you're starting to get into bed with now once more, which is another flip-flop — which is, by the way, something I commend you for again. I think that's a good idea.

It's a little too late, I would suggest to you, much too late. You should have been doing this before, but then again that's not the philosophical bent of your party. It is a view, I know that, but not of your party, that dictates what you can and what you cannot do.

But now we have Weyerhaeuser there, not only with a pulp mill but a paper mill. And the important thing there is not the 1,100 jobs necessarily alone that was created in Prince Albert,

sustainable jobs that were created in Prince Albert, but rather that ecologically . . . And the Minister of Environment has been doing a lot of chirping here lately, because I think I'm starting to get to him a little bit, as well. But he will recognize the ecological, the environmental, impact that that paper mill has had.

Because no longer are the spruce trees being trampled underfoot because that's a hardwood and it's no good to anybody. That was in the past. Now we have constructive logging up there. And I still don't agree with the clear cut; that's something you and I can have a discussion with later. But now we can use those for class 1, class A, worldwide paper distribution system in the world of no. 1 class grade paper. And so there's no wastage of the trees.

So one little example, Mr. Minister, of some of the other things. We could go into Millar Western Pulp company, Great Western breweries; we could go on to Saskferco and talk about that one at length.

But I don't know if we would necessarily be doing the people of this province a particularly good service to each strut our stuff and say to the people, look at what we did, look at what you guys did; and you getting up and saying, well this is what we're doing and this is what you did. So we're getting into, I believe, quite frankly, we're getting into political discussions here that are not leading us particularly in any one discussion.

And I'm willing to call a truce if you are, let's put it that way. Let's get on with some of the more significant questions, I would say, Mr. Minister. I don't know who's ahead right now, but philosophically we disagree, and we each feel the urge and the adrenalin to get up and address those issues. We've done that; I think we've had a fair exchange.

I'm going to . . . (inaudible interjection) . . . pardon me? I will give you one short comment because I know there's something that's still bugging you. Get it off your shoulder. But I'm going to leave you with this particular issue and I'm going off into a specific area now. And the area that I'm going into or want to go into, I think is an area that holds extremely large potential for this province, and that's the area of biotechnology.

I know that we've done a lot of work with the SRC (Saskatchewan Research Council). And I know that we have a state-of-the-art operation at the University of Saskatchewan, the university in Saskatoon, that not only can take a leadership in this across the nation, I think it already is. I think it already is.

And your government has been promoting this, Mr. Minister. And quite frankly, I would commend you for doing that because that's exactly what should be done.

In October of last year, Mr. Minister, our Premier complained that biotechnology was over-regulated by the federal government and called on Ottawa to update and streamline the way that it administrates this biotechnology.

And I thought it was kind of ironic for an NDP Premier to get up and complain about over-regulation. But anyway, could you

comment on the impact of the provincial regulations on biotechnology? For example, to your knowledge are there any aspects of the industry that fall under provincial health or environmental regulations that could be addressed; and if so, to what degree has your government tried to streamline those regulations and then tried to coordinate them with the federal ones as they exist?

In other words, I think what we have to do is have a house-cleaning ourselves first before we start talking about over-regulation with the feds.

**Hon. Mr. Lingenfelter:** — If the member would allow me, I just want to correct a couple of misconceptions, just so if there happened to be anyone listening to this program that they wouldn't go away with the wrong impression.

I want to say to you that the . . . going back to the good luck theory and Tory times are tough times. I mean I couldn't agree more because whether it was my father and his father who were trying to make a living in those tough times back in the '30s when we had a Bennett government in Ottawa and an Anderson government in Saskatchewan between 1929 and 1934, in fact Tory times are tough times.

But people remember a long time about Tories. And it seems like once every 50 years, whether we need it or not in this province, we get a Tory government. Because it takes people that long to forget how tough those Tory times are. And then we have to come in and we clean up, and we don't mind doing it although some of us are getting a little long in the tooth, cleaning up behind Tories and Liberals. But it's fair to say that you're absolutely correct when you talk about Tory times being tough times.

But you don't do it in isolation and it wasn't only here in Saskatchewan that the right-wing philosophy of take care of me and my kids and to heck with the rest of the community, was in vogue. And it really started in the United States. You tagged along and repeated all those wise words of David Stockman — I believe he was treasurer for Reagan — when he talked about the trickle-down theory and all the great things that would occur if only you gave more money to the multinationals.

(1230)

But I think what is even more irritating to the people of Saskatchewan than the huge deficit and the legacy that was left from the 1980s was that at the same time you were selling off the assets that the Blakeney government and the Douglas government had built up penny by penny, nickel by nickel, dime by dime, to build a set of corporations owned by the people of the province that worked with, not against, the private sector in a fine-tuned economy that worked well and, by your own admission, was flourishing during the 1970s. Balanced budgets every one of those 11 years that the Blakeney government was in power.

But even more irritating than the debt was the sell-off of assets that took place during that period. And I sat I think in the bench that you're sitting in now, or the next one to your left, next to premier Blakeney, when there were only eight of us in the

House between 1982 and 1986.

And we watched you people take a surplus . . . And you say, why didn't you run surpluses? We left you a surplus, when we left government in 1982, of \$139 million. Did it do any good? Would it have done any good if we had left you \$10 billion in surplus? You spent and sold like drunken sailors.

We had a power company that owned coalfields in this province, and you sold off the coalfields. And then looked around and said, we now own power plants; where the heck are we going to get the coal from? And you had to buy the coal back. And they took you to the cleaners. And we're still paying for that nonsense of selling off an asset, and in this case selling the coal and keeping the coal-fired generators.

You then sold off the gas fields. We used to have a gas company, SaskEnergy, that had pipelines and gas. We now own a company that owns pipelines and no gas. And then when the price of gas goes up, you stand in the House sanctimoniously and say, why is the price of gas going up in this province, having sold off all the gas fields. Many of the public don't know that, but we don't own any gas in SaskEnergy. All we own is a pipeline. And we have to pay the price from the private sector every time the price of gas goes up. That's why gas prices went up, because you sold off the gas fields.

And what the irony of that member standing here when the price of gas is going up and saying, why is the government so insensitive to the needs of the public that they would raise the price of gas, having made the decision when he was on this side of the House to see the gas fields, is nothing less that incredible.

We sold off the Highway equipment. Remember that sale? Remember the sale of Highway equipment? — \$40 million worth of Highway equipment for \$5 million. And if I'm not mistaken, a former member of the Assembly here, Mr. Hodgins' — this is the irony of it — auction mart, was the auction company that went and sold off that \$40 million worth of Highway equipment for around \$5 million.

You sold the potash mines, those worthless holes in the ground as you called them when the Blakeney government was buying them — you sold them and spent every last cent of the money. You didn't put any of it away.

You sold off the pulp mill, and you made reference to that. That pulp mill was making huge amounts of money when we were in government for the vast number of years or the majority of years when we were in power.

You sold off Saskoil. You sold off another revenue source for the Government of Saskatchewan. You sold off the coal-mining equipment. You sold off the park facilities.

So don't tell me that you didn't have at your disposal huge amounts of cash and surpluses built up by NDP and CCF (Co-operative Commonwealth Federation) governments. You had it; you squandered it; you have none of it left. Plus you have \$15 billion in debt.

Now everyone knows about the \$15 billion in debt, but what is missing out of the formula and I want to put on the record today is the billions of dollars in assets that we no longer have in this province that you also spent.

And I say to you, sir, that when you stand in your place and say to the Minister of Finance today when she balances the budget and has some surpluses in certain areas of government, whether it's in CIC or the Liquor Board, it drives you people crazy to see surpluses anywhere. You can't stand it. You get up in the House and you say, what have you got these surpluses here for? Why the heck didn't you spend that money?

What kind of operators of government and why would you expect anyone in their right mind to come back and vote for a party that hasn't learned a bit about balancing the books or saving for future generations? And so I say to you that you can talk about how great it was during the 1980s, but I'm sorry to say that there will be very few in this generation who will live long enough to vote and put that X on a ballot for a Conservative candidate in the years to come.

On biotechnology, I want to say to you that we have been working hard with the federal government to get a set of regulations that will be streamlined in order for biotechnology to take place. And as it would relate to whose responsibility the regulation codes are, virtually all of them as it would apply to ag biotech or to biotechnology fall under the responsibility of the federal government.

But I have sent letters to ministers at the federal level asking them to cooperate in streamlining the process and I know the Premier has made speeches here in Saskatchewan as well as in Toronto, urging the federal government to come to grips with streamlining the regulations as it would apply to ag biotech.

**Mr. Neudorf:** — Mr. Chairman, and Mr. Minister, thank you for that tirade, because that's basically and exactly what that was, sir. And I guess I gave you too much credit in my previous comments about you not really being a socialist. I still don't think you are, in spite of that tirade that you just went through. I think you're trying to cover your tracks within your own party, and I don't think that will work, Mr. Minister.

Mr. Minister, when you talk about us selling off assets, as you call them, of this government, that's the thing that I'm proud of most, because that's what has changed the direction in this province. Because this is going to show the people what they can do for themselves instead of big government doing for them — and that's the family of Crown corporations that you are responsible for.

And for you to have the audacity to get up in here and say that Mr. Blakeney left a balance to the positive, there could be nothing . . . a surplus . . . there could be nothing further from the truth, sir, because those dry holes that you bought were borrowed in New York, and we have a \$2 billion deficit handed down on that one simple thing itself. It's probably more than that.

And then when we start talking about the other deficits that

were there in that so-called balanced budget, or surplus, then we begin to look at the \$1.2 billion that were left in the unfunded liabilities of pensions in this province which, sir, is your own pension, because you are part of that problem when we take a look at your \$1.4 million pension that you will get when you retire from this House.

So don't get up there and spout and blame us for all of the problems in this province. You created on a . . . I won't say personal level. You created part of it as your party, and you're part of the problem and let's not forget that. And don't get up sanctimoniously and say about all the wonderful conditions that you left this province in when you were sunk.

Why did the people kick you out? Was there no reason for it? Why was the biggest downfall of any party in this province your own? You were left with five people back here, or fewer than that. You weren't even part of it. You weren't even part of that process because you got booted out yourself. And then you had to come back here in Regina and get on a by-election so that you could be safe in the arms of Regina where you would run in a safe seat. So don't give me any of that, Mr. Minister. You have a legacy that you need not be proud of as well.

And you left a legacy that was also part of the deficit that the people of this province now are trying to face and carrying on their backs. That's how you have dealt with this deficit that we've got here, Mr. Minister — on the backs of the people of this province; on the backs of the farmers of this province. You have that hundred and eighty-nine millions of dollars that belong to the farmers of this province and you used that to so-called balance your budget and come up with a \$119 million.

You talk about the highways. You know very well that an independent assessor and appraiser assessed that \$4.5 million, and you're saying 40 million. Mr. Minister, how are you going to have any credibility in the House when you play so loose with facts and figures, Mr. Minister?

And that sold . . . At least you got one thing right. At least you got one thing right. It was \$5 million that we got for it. And the province has done well, very well after that.

Our problem is now, that when there are contracts being let for highways or whatever, water pipelines or whatever the case may happen to be, you feel that you owe the labour unions something, the union leaders. You're trying to appease them at this right time because you know that the Premier's going to be calling an election sooner than later. And I guess I could say also, in the words of a famous Canadian, the better the sooner. Okay, that goes over your heads, but that was Mr. Chrétien that made that comment.

But, Mr. Minister, if you would not be on this bent right now of forcing more and more taxpayers to foot the bill, we would be better off as well. Your union-only contracting policy that has been adopted province-wide, government-wide, every department now is involved in union-only tendering. Is that how it is going to be best? Is that how you as Minister of Economic Development view the province? Is this how you view that the taxpayer is going to get the best bang for their

buck?

I don't think so. The people of this province don't think so. It should be open tendering. Lowest person who can do the job the way it's supposed to be done should be the one that would get that job. And you have now made it a government policy to have union only need apply.

Department of Health, we brought that up the other day in question period. Now all of a sudden the Department of Health is involved saying, oh, by the way folks before you apply, let's have your union contract; let's have your union membership first of all. Otherwise the implication was there's no need to apply.

And so, Mr. Minister, there is a lot of material that we could cover there. And I thought that we were going to get away from this before, and we're back into it . . . (inaudible interjection) . . . Why? Because we have to set each other straight, I say to the member from Swift Current. That's the problem here. And I guess politics will ever be thus that it's the perspective of one's own eyes that we view these things happen.

Again I think that the public is entitled to be able to listen and to make their own assumptions and draw their own conclusions. And I'm sure that that's what they're doing, and that's the way it should be.

Mr. Minister, I know that the members of the Liberal Party want to get involved in this. He indicated to me that he would be asking some questions, so I would give him that opportunity at this stage.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I thought our Liberal colleagues were going to ask some questions, so since they don't seem to be prepared to stand on this issue today, I have some issues from my own constituency that perhaps the minister could respond to.

Mr. Minister, you have been travelling around the world talking about trade. You've been to China, you've been through the southern Americas, you've been to the Caribbean, and Mexico.

Well even in my own constituency they're interested in your economic development when it comes to trade. There is a group called the Central North American trade corridor association that is trying to work together from Mexico City to Point Barrow, Alaska, to develop a trade corridor which goes through south-eastern Saskatchewan. It's mainly a trucking route but they're also very interested in setting up service industries along this route, Mr. Minister. And it's very important that your department play a part in that, in facilitating the movement of trade goods north and south.

Mr. Minister, how closely do you work, how closely does your department work, with the other departments of government to see to it that this type of trade — these types of opportunities — can be developed in Saskatchewan, can be developed in south-eastern Saskatchewan in my constituency? Because we had a meeting down there last Saturday at Carievale and I know the member from Saskatoon Eastview-Haultain is familiar with the

area.

(1245)

And at Carievale, we had representatives there from North Dakota. We had representatives from Manitoba who were very interested in setting up this trade corridor, getting it working, eliminating the problems at the borders, eliminating the problems of our highways.

So, Mr. Minister, how closely do you work with the other departments within government to ensure that this type of economic development can proceed smoothly?

**Hon. Mr. Lingenfelter:** — The member raises an important issue, and that is the issue of trade. And obviously Saskatchewan being a . . . probably the largest per capita trader of any jurisdiction in the world, and I include places like Germany and Japan in that, because virtually everything we produce, whether it's wheat, whether it's uranium, whether it's potash, leaves the province in vast quantities, and many of the products that we use are imported.

And on a per capita basis Saskatchewan is in fact the largest trader of any jurisdiction that you could find on record, and that includes the great trading powers of the world. And so trade has always been very crucial to the development of our province and will continue to be.

The major change that we are focusing on now is the non-traditional trade areas, value added trade, much the same as you and your friends and neighbours are talking about down in that south-east corner of the province.

And as it relates to trade, obviously having trade corridors and having trade relations and trade agreements are very important. But just having trade deals aren't necessarily always good. And this is why, when we get into the debate over the Free Trade Agreement, there are those who say, well whatever trade deal is in front of you, sign the darn thing and get it out of the way; it's got to be good.

As you know, in signing agreements, deals are only good if in fact you can balance them out and at the end of the day believe you're making progress in the agreement. And so I think every trade agreement has to be reviewed, it has to be studied and analysed, and negotiated toughly so that you get the best possible deal that you can.

As it would relate to the corridor — I didn't quite catch the name of which corridor it is — but I believe it's the same one that I spoke to their annual meeting in Melville last year. And we discussed at length at that meeting, ways and means that we could be involved in helping to facilitate easing of regulations as goods flow south and goods flow north.

This would include upgrading of highways, making regulations at border crossings easier, making regulations between states easier. Because it's not only east-west barriers that have to be removed; there are many barriers as you go from state to state on licensing and other things for truckers that we have to

improve. And so this is an important issue.

We have also signed a partnership agreement with the state of Durango in Mexico which is due south of Saskatchewan, and the state of Coahuila is also looking at signing a letter of agreement for doing more trade. And to that end the trade between Saskatchewan and Mexico has increased dramatically in the past couple of years. I think the number in 1991 was \$18 million of trade exports that went to Mexico. Last year, in 1994, that had . . . or in 1993 had risen to \$118 million.

So the trade with Mexico is increasing quite phenomenally as we export more canola, grains, pork, that now are moving into the Mexican market. So having trade corridors and arrangements to ease the regulatory structures are important and we are indeed working on that.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. You've mentioned a couple of the areas that were brought up in Carievale last weekend, and I'm not sure which group you met with in Melville — the Central North American trade corridor which runs from Mexico City to Point Barrow, Alaska, mainly along 83 Highway as it comes north and then comes up in through Saskatchewan, through Alberta, and up into Alaska.

That group had their annual meeting last year in Minot in March. So perhaps it was the same group you met with, but I'm not sure if it was their annual meeting.

Mr. Minister, what was discussed at Carievale was the highways and the very low quality of the highways in that particular area. We reviewed the highways as they had come into that area in North Dakota. And the highway, No. 28 in North Dakota, that comes up to Sherwood, has the highest quality from West Hope to the North Dakota border. But when it hits the Saskatchewan border, there is virtually no quality in the highway at that point. The Highway No. 28 has four and a half inches of asphalt, where Highway No. 8, from Sherwood north, is an oil surface and very badly broken up, Mr. Minister.

So that was one of the areas that they were very concerned about and were interested in having your department deal with the Department of Highways and try and improve that particular stretch of road because of the impact it's having of trade. There's a lot of traffic going back and forth across that. There's a lot of tourism coming back from North Dakota, going up to the Moose Mountain Provincial Park, which is of interest to the Minister of Environment and Natural Resources, because that generates a large amount of income for Saskatchewan and for that park.

The other issue involved is the port, the customs, and the time factors involved in it. It's very important, because of the traffic going back and forth, both from the oil industry and from the agriculture industry, hauling grain south and coming back with goods, it's important that these ports be available for usage. It's a long stretch from 24-hour ports, Mr. Minister, across southern Saskatchewan. So we need some support from your department to encourage both the federal government on the customs, and the Department of Highways on highways, Mr. Minister.

I had the opportunity to see how North Dakota handles some of their economic development. I attended a meeting in Sherwood, where a new business was looking at moving into Sherwood and just seeing what kind of services; what was the attitude of the North Dakota government and their respective agencies when it came to a new industry moving in.

Go to the meeting and you have a representative there of their power source. They had a representative of their state telephone; from their Labour department. And their attitude was: we have a set of regulations in place and how can we help you move through those?

In Saskatchewan the attitude seems to be: here's a set of regulations, now you comply with them. It's a very negative attitude here as compared to a positive attitude: how can we help you?

And I think, Mr. Minister, that we need to have a change of attitude within our government in Saskatchewan — within the bureaucracy — of rather than being an impediment to development, that we assist development.

And what are you doing to try and encourage that? Are you prepared to work on the custom port hours, on the Highways department, and what are you doing to try and change the bureaucracy's negative attitude and to be more helpful and more positive?

**Hon. Mr. Lingenfelter:** — Just on the road issue, my friend and colleague from the Rosemont constituency reminds me that he raised this issue four years ago with the then member from your constituency, Mr. Berntson. And so this is not a new problem, but one that has been around for some time.

And in other areas of the province the problem is reversed. The 21 Highway on the west side of the province is paved on the Saskatchewan side, just recently paved, and when you get to the American side it's then gravel for 15 miles — and terrible gravel. There isn't even a speck of pavement on it. So these are kinds of agreements and areas of work that indeed we do have to focus on.

I think you're right as well that we should be, all of us, lobbying the federal government to have more customs port access in the province of Saskatchewan. And having worked for six years as a customs officer before I got involved in this profession, I know that trying to get money from the federal government for customs offices is very, very difficult.

But when it comes to the whole area of trade between our two jurisdictions, I think there are other things that must happen. For example, the new announcement of open-skies policy by the federal government. We want to make sure that airlines are looking at our provinces and that north-south links will take place.

We used to in the good old days — and I don't want to get back into the argument — in the 1970s have a link with Denver. Frontier Airlines used to fly on a daily basis, Saskatoon, Regina, Denver. That was cancelled in the mid-'80s when we

were unlucky enough to have a poorer economy. And to this point we haven't been able to re-establish that. But we intend — and are working hard with major airlines, and we've had meetings with several of them — to try to re-establish. And with any luck at all, sometime later this year we will have positive announcements on air links to the South again, similar to what we were able to arrange in the 1970s.

But I want to say that when you talk about the role that we have in facilitating business moving to the province, I can bring you letters of commendation to the staff of Economic Development from companies like Limagrain — who have moved their canola research from France to Saskatoon — at the great work that was done in getting all the players in a room; power, telephone, gas, all the people that they needed to know the regulations and the excellent work that was done by the staff from the Department of Economic Development.

In dealing with many companies that are expanding now . . . Mr. Gerry Bourgault, at his opening, openly commended the government about their role in facilitating. Not doing — giving big grants or anything — but just being there, helping him with regulations. And he publicly, and I believe it was reported in the local news media, congratulated the staff of government who I think far too often don't get the kind of credit they deserve for the excellent work they do when companies approach us.

All you need to do is talk to Dave Radford from Sears, the now retired individual who headed up Sears when they moved and set up their 800-person call centre in Regina. He's absolutely been impressed with the quality of civil service that we have here in the province of Saskatchewan when it came to facilitating the establishment of that call centre here in the province of Saskatchewan.

So where you're picking up that we set up walls or blocks, I do not hear that from business. In fact when I travel around the province, quite honestly I get a very, very different view. In fact as recently as three days ago when we did the expansion at Twinpak, the manager of the plant went out of his way to compliment the staff of the department and government on the role they played in the expansion.

The committee reported progress.

The Assembly adjourned at 1 p.m.